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No. 28,124

GENERAL

Militant \$33; group 'broke rules'

LORD UNDERHILL has published his report on the activi. FT 30-share index gained 1.2 ties of the Labour Party's to 433.2. Golds rose 20.7 to 315.0.

group between 1973 and 1978.

He thought Militant probably had no more than 2,000 members but estimated it had influence in the state of the state o hers but estimated it had influence in about 60 constitu-He challenged the National Executive to dissociate itself from the revolutionary policies Militant supports, but did not demand the tendency's

But leader James Callaghan is likely to use his influence to try to rid the party of Militant, on the grounds that it had infringed rules by organising a separate grouping within the party. Back Page

Mortgage rates

Building Societies Association may decide to end the present recommended mortgage rate system, its chairman, Leonard Williams, said. Back Page

Dutch protest

More than 60.000 Dutch trade unionists demonstrated in Amsterdam against proposed wage controls after a day of national strikes. Page 2

Martial law lifted

Lord Soames, British Governor, announced the end of martial law in Rhodesia and a British aid packing eof £7.5m for postwar reconstruction.

Saudi missiles

North and South Yemen. Page 3 1978 and \$14bn in 1977. No race question

There will be no question on race or ethnic origin in the 1981

census questionnaire, Social Services Secretary Patrick Secretary Jenkin said. Nobel nominee

Raoul Wallenburg, the Swedish

diplomat, has been nominated for a Nobel Peace Prize by 20 MPs. He helped thousands of Jews escape Budapest in 1944 and disappeared after being arrested by the Soviets.

Anti-apartheid aid Swedish Government is to give

SKr 6m (£0.62m) to the United Nations anti-apartheid proand for southern African refugees.

Tin mine strike

More than 150 underground workers are on strike at South Crofty tin mine in Cornwall. Radioactivity in the mine could have been the cause of at least 15 cases of cancer, five fatal, the men claim.

Cold comfort

Bad weather continued with strong north-easterly winds and snow as far south as Sevenoaks, Kent. Outlook is cold and dry.

Two Wongs

Michael Wong Sun Sung of Durham, who shot two mute swans and two eider ducks on a Northumberland nature reserve. was fined £100 by Berwick magistrates. His brother, who aided and abetted him, was fined

Argentinians who opened a Page storage tank.

Radio Caroline, the pirate radio station, sank in the Thames

French philosopher Jean-Paul Sartre, 74, was taken to hospital a year ago. Page 24 and Lex suffering a pulmonary oedema.

RISES Treas. Variable '83 £931 + 1/2
Accordated Fisheries 63 + 3

Avanz 118 + 8 Bowring (C. T.) ... 132 + 5

Channel Tunnel ... 190 + 20 City & Int. Trust ... 126 + 6

National Carbonising 126 + 12

Associated Fisheries 63

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

BUSINESS

Gold up equities **gain 1.2**

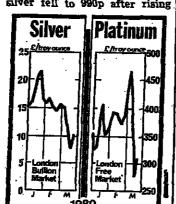
 EQUITIES remained sluggish on continuing Budget uncertain-ties and the Bank's call for a restrictive monetary policy. The

lower at 795.31 before the close.

 STERLING gained 50 points to \$2.1980, its trade-weighted index rising to 72.3 (72.2). DOLLAR fell to DM 1.8655 (1.8720) in nervous trading. Its index was 88.9 (89.1).

• GOLD rose \$33 an ounce in London to \$553.

• PLATINUM rallied, rising £21.90 an ounce to £309.45. Spot silver fell to 990p after rising



by 85.4p to 1,026.60p a troy ounce at the morning fix.

■ U.S. CURRENT ACCOUNT Saudi Arabia was reported to payments deficit in 1979 be setting up surface-to-air narrowed to only \$317m, commissiles along its borders with pared with deficits of \$13.5ba in

> WEST GERMANY reached two long-term oil supply deals with Saudi Arabia worth about \$2.57bn a year at current prices, guaranteeing 8.3m tonnes of crude a year. Back Page

GOVERNMENT is to remove Mr. Michael Casey from the post of chief executive of British Shipibuilders when his contract runs out in May. Back Page ..

BRITAIN fell from third to fourth place in the world league of merchants ship tonnage built ast year, says a Lloyds Shipping Register report. Page 6

• TRICENTROL, the UK-based oil and commercial group, plans to expand its North American activities, which could mean switching emphasis from its stake in the Thistle Field. Page

• STOCK EXCHANGE is to extend Talisman, its computer settlement system, to South African securities by setting up a central stock pooling company

in Johannesburg. Page 8 STEEL UNIONS meet British Steel officials today in what could be the last attempt to negotiate a settlement after formally rejecting its latest offer.

Back Page • CIVIL SERVICE UNION may seek High Court action next week to prevent the Defence Ministry from making staff redundant or offering their work to private contracts. Page 9

COMPANIES

• BARCLAYS BANK reports Briefly taxable profits up by 42 per cent to £539.4m in 1979. Total dividend is raised by 36.6 per Bad wine fumes killed four cent. Page 24 and Lex, Back

• STONE-PLATT Industries, the textile many textile machinery and engineering group, reports a taxable loss of £2.94m for 1979, compared with profits of £9.51m Back Page

Cons. Gold Fields ... 490 + 17

Conzine Riotinto ... 258 + 18

De Beers Defd. 442 + 25

effective reopening of the

Monday, once the referendum on the future of nuclear power This bond will be closely watched by Eurobond houses in London and Continental finan-cial centres as it marks the fixed rate dollar Eurobond market after its virtual closure last summer. The weakness of the U.S. dollar and more recently the relentless rise in

SWEDEN intends to raise most borrowers wishing to offered on the basis of a issue dollar bonds into arrang- guaranteed yield. This is ex-\$500m (£227m) in the form of a fixed interest rate dollar ing floating rate note issues.

Sweden plans \$500m Eurobond

Eurobond, Final go-ahead for The \$500m bond for Sweden, this bond is expected next which is being arranged by Salomon Brothers and S. G. Warburg, includes two unusual features. It invokes a element-an initial tranche of \$125m 3% years notes will be issued, and the remainder will through Deutsche Bank. Last follow, before the year is out, year Swden virtually doubled at the borrowers option. the volume of international at the barrowers option.

Contrary to usual Eurobond market practice, no coupon or price for the bond will be indicated by the lead managers. U.S. interest rates have forced Instead the

CONTENTS -

pected to be around 15 per cent, marking a new high for an isuer of this quality.

Sweden has been an active raiser of funds in the Eurobond arranging a £20m isue through Hambros and a DM 200m issue bonds it offered in the international capital markets to \$1,8bn. Eurobonds, Page 28

Nuclear referendum, Page 23

Management: unfulfilled promise of a new office city 19

Lombard: Anthony Harris on cutting

the PSBR 20

Editorial comment: monetary control;

Around Britain: Cheshire

urged for money supply controls "Both systems would tend to

Banking changes

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MAJOR CHANGES in the England in a joint consultative paper. The aim is to remove distortions and to improve he said. short-term control over the The n growth of the money supply.

The proposals are in two arts. The first consists of parts. pecific suggestions for ensuring that the present system works better, including the end of the so-called corset controls on the growth of the banks' operations. These ideas are likely to be ented over the next

Secondly, and separately, the ride this. paper discusses more radical, long term suggestions for changing the system. They include forms of monetary base control, in which the Bank attempts to control bank deposits, and indicator systems, under which interest rates are changed automatically in response to changes in the money supply.

Mr. Nigel Lawson,

Financial Secretary to the Treasury, said yesterday the Government was sceptical about both the monetary base and indicator systems, but it was less sceptical about the latter, where the practical problems

BY DAVID LASCELLES IN NEW YORK

major European producers of

steel, carrying out its long-standing threat to take action

against what it regards as unfair

The move brings to a head a

only against the European and

Japanese, but against its own

At its Pittsburgh head-quarters, U.S. Steel said it will

file complaints with the Com-

merce Department and the

practices of steel producers in

Luxembourg, Italy, the Nether-

suffered "material injury"

lands and West Germany.

International Trade Commis ago for sion, against "unfair trade tration.

competition.

Government, too.

operation of the banking system lead to greater volatility in were proposed yesterday by the interest rates, but there is no Treasury and the Bank of reason to believe that they would, on average, result in a bigher level of interest rates,"

> The monetary base methodstrongly urged by a number of City economists and stockbrokers who have close contacts with senior Ministers — is regarded as both difficult to define and impracticable. There is greater official sympathy for a more automatic adjustment of interest rates, though it is admitted that the Government would sometimes have to over-

The Treasury and the Bank invite comments from affected parties, and the consultation period will last about six months. There has been fierce controversy in the City about rival suggestions for structural reform of the monetary system.

more immediate proposals can go ahead without prejudicing these longer-term issues. But in this case consultation will be much as scheme limits the sultation will be much more about detail than principle. Mr. Lawson said it had been specifically decided to exclude

from immediate discussion the important but separate issue of Details Page 12 • Editorial comment Page 22 • Controls on clearers to be extended and Lex, Back Page

'dumping' by Europeans

U.S. STEEL, America's largest, products in question are listed dustry's demands for an in-

Mr. David Roderick, U.S.

Steel's chairman, said the com-

producers in Japan and "other

selected countries" with a view

U.S. Steel's move follows

U.S. about how to handle the

Viscount Etienne Davignon, the

EEC Industry Commissioner,

was also in Washington a week

ago for talks with the adminis-

ment yesterday was clearly

not to alter the so-called "trigger

price" used to keep out cheap

However, U.S. Steel's state-

plaints against them too.

U.S. Steel to sue over

and galvanised sheets.

steel company, will today file as structural shapes, plates, hot crease,

auti-dumping suits against rolled sheets, cold rolled sheets,

dispute which has pitted the to filing anti-dumping com-steel industry in the U.S. not plaints against them too.

seven European Community ment yesterday was clearly nations" which it specified as prompted by President Jimmy the UK. France, Belgium, Carter's decision on Wednesday

The company will claim it steel imports. Mr. Carter said uffered "material injury" he would hold the trigger price

because of imports from these (the level below which levies

countries in the past five years would have to be paid) at \$358 which were sold "at less than (£163) a ton for the second fair value in the U.S." The quarter, rebuffing the steel in-

methods of funding and selling gilt-edged stock.

The starting point of the paper is a reassirmation of the central role of monetary policy in bringing down the inflation rate, with the main instruments being fiscal policy—notably the commitment to reduce "over time" public sector borrowing as a proportion of national

target relating to one measure of the money supply, which will remain sterling M3, the broad definition. But other measures will be taken into account.

Permanent quantitative controls are rejected because they tend to divert monetary flows without affecting underlying monetary conditions.

Consequently, the Government has decided that the

supplementary special deposits scheme (the corset) has "come virtually to the end of its useful

This scheme limits the growth of interest-bearing eligible liabilities, a major part of the banks' deposits. Since its reimposition in June 1978, the corset has in practice resulted Continued on Back Page

The company had made

clear to the Government that it

would file an anti-dumping suit

Carter's decision underscored

said it would abolish the

dumping suits were filed,

not expect to enjoy both forms

dication yesterday whether the

Department of Commerce would carry out this threat in the

wake of the company's action.

Although it has taken a strong

stand on the issue, it would also

have to take into account the

possible grave consequences of

Armon, for example, one of

the country's largest steel-

makers, said yesterday that,

while it had no plans to file

There was no immediate in

if the price was not raised.

price mechanism.

of protection.

abolition.

weeks of heated debate in the mechanism altogether if anti-

imports.

quarter, rebuffing the steel in anti-dumping suits

Rate of monetary growth slackens

BY PETER RIDDELL

THE RATE of monetary growth is slowing down, but only slowly. Bank lending to the private sector is still rising

The mid-February figures published yesterday by the Bank of England, show that sterling M3, the broadly-defined money supply, rose by 0.9 per cent last month. This takes the increase since last June at an annual rate to just over 12 per cent, com pared with between 13 and 141 per cent last autumn.

output—and interest rates.

These objectives will continue the upper end of the 7 to 11 per to be expressed in terms of a cent official target rate of increase. Moreover, a further two points should be added to the actual increase to take account of commercial bills held outside the banking system. These are a form of lending which are outside the statistics. In the Commons yesterday, ir Geoffrey Howe, the

Chancellor, said that sterling M3 had grown at an annual rate of 10 per cent over the past four months which represented very considerable slow down" on the rate inherited by the Government.

He said there were "encouraging signs" of progress towards the Government's economic objectives. He added that Government borrowing "has been, is being and will be reduced" as a result of its measures. All this will no doubt be at the heart of next Wednesday's Budget speech,

While Ministers clearly believe that monetary growth has passed its peak, the slowdown has not yet been sufficient to justify an early cut in Minimum Lending Rafe. The rate of monetary expansion will have to be well within the target range and bank lending to be less buoyant than at present before MLR is likely to be cut and many City analysts do not think this will happen for at least a couple of months.

Bank lending remains the major expansionary influencerising by £584m last month and the increase would have been were made for the large seasonal seasonal surrenders of certificates of tax deposit in order to pay corporation tax.

This compares with an pany was also investigating steel Roderick said yesterday that Mr. average monthly rise in lending of £730m in the past three the inadequacy of the trigger months. The continued demand for bank credit reflects the intense financial squeeze on The Government had earlier industry and its excessively high level of stocks.

The public sector was a because the steel industry could

broadly contractionary factor as there was a small central gov-Continued on Back Page Table, Page 8

Mrs. Thatcher sets out EEC demands

BY RICHARD EYANS, LOBBY EDITOR

Pressed by Mr. James Callag-han, Opposition leader, in the Commons yesterday to declare her tactics, she confirmed that the Government would: 1-In the last resort have to consider withholding value-added tax contributions to the

European Community, if there was not an equitable solution to the budget problem; 2-Stick to its demands for a

price freeze on all agricul-tural products which are at

present in surplus: 3—Reject any suggestion that Britain would be prepared to link the budget issue with other matters which needed to be negotiated, such as fish. energy and lamb. These could be discussed at Brussels but purely on their merits.

Brussels summit clearly alramed approach and an absence of tactics between the Prime what they regard as counter- Minister and the Foreign Office, productive threats of realizatory in an interview on Thames action by the UK in the event f stalemate. Lord Carrington declared: "I Britain's negotiating tactics simply do not accept that there of stalemate.

were discussed by the Cabinet is any difference between the at a 90-minute meeting at Prime Minister and myself Downing Street vesterday, when about it." Ministers agreed to give Mrs. Thatcher and Lord Carrington, did appear to question the Foreign Secretary, a free hand wisdom of issuing warnings to negotiate at Brussels on about retaliatory action. March 31 and April 1.

mons. accepted the need for a com- D. E. F. Of course you have promise following failure to got to consider there but what Market partners at Dublin, but solution because it really is she stressed: "I have not very important."

could be difficult to fulfill, given the declared attitudes of other Britain's demands. There is a growing surge of negotiating victory in Brussels.

well as from the Opposition, for a tough stand to be taken, and Thatcher could be political difficulties should she return from Brussels with an unacceptable package or without a firm promise of early action to meet Britain's case.

Over 130 Conservative backbenchers from all sections of the party have now signed a Commons motion backing the Government, should it "as a last resort find it necessary to withhold part of the UK's contribution, in order to achieve a satisfactory settlement.

• Thave recorded the performance of our gits

MRS. MARGARET THATCHER To this pressure was added yesterday named three key last night an Opposition negotiating point for Britain at attempt to push the Governthe forthcoming EEC summit in ment into a more aggressive

Mr. James Callaghan and his Shadow Cabinet colleagues tabled an amendment to a Government motion on the Community budget to debated on Monday night. which would in effect restore the pre-Dublin target of broad balance in Britain's budget contributions and receipts.

The amendment repeats form of words passed by the Commons unanimously both last July and in November declaring that Britain's contri-bution should be "at least not greater than the receipts."

By contrast, the Government Prime Minister in her efforts to bring about "a substantial, immediate and lasting reduc-The harshness of her line tion in the UK's net contribu-within a fortnight of the tion to the Community budget.' tion in the UK's net contribu-Lord Carrington, the Foreign some of her colleagues, who Secretary, denied last night have ben urging a more flexible there was any argument over

But the Foreign Secretary

Television's TV Eye programme

March 31 and April 1. "I think it's a great mistake
In her comments to the Comto say if something doesn't the Prime Minister happen I'm going to do A, B, C.

Mrs. Thatcher's difficulty is ernment has apparently conclu-that she has set turgets that ded that a "softly softly" approach is ruled out by rising clared attitudes of other domestic political pressures, and governments towards that hints of reprisals and retaliation may yet pull off a that its threats are causing irritation among EEC partners, but Whitehall has concluded that forcing them to concentrate on the costs of failure may yet succeed where diplomatic per-

sugsion is failing. Parliament, Page 11

E in New York

Mar. 19 8pot | \$2.1955-1965 | \$2.1845-1860 1 mnth 0.11-0.07 dis | 0.23-0.28 prem 3 mths 0.35-0.40 prem 0.84-0.89 prem 3 mths 0.10-0.20 prem 0.85-0.75 prem

and equities but I have no yardstick for Property. Luse the new JLW-PPAS .It's very comprehensive and has regard to a risk factor in the portfolio-it certainly helps in future investment decisions. **Jones Lang**

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CONSULTATIONS WITH ITALIAN POLITICIANS BEGIN

Pertini looks for a swift settlement

BY PAUL BETTS IN ROME

ITALY'S President, Sig. Sandro Pertini, began consultations with the main political parties yesterday in an effort to find a rapid solution to the country's government crisis.

Francesco Cossiga's minority administration which collapsed on Wednesday after a parliamentary debate in which the Socialist and Republican parties withdrew their support.

The Government's fall has coincided with a particularly savage outburst of political violence in which three leading magistrates have been murdered in the past four days by Leftwing extremists.

Before starting his consultations, President Pertini yesterday held emergency talks at the Presidential Palace with the outgoing Premier, the Interior Minister, and police and measures to combat terrorism. Italy is also facing growing

conomic difficulties with a deterioration in its terms of trade and with the lira again coming under pressure. This, coupled with fears about the possible repercussions of a prolonged Government crisis on the country's international commitments, including the presidency of the European Council, has prompted the Italian President to speed up the process of finding a new Government.

Regional elections are due to be held in late spring, putting further pressure on Sig. Pertini. The polls are already being regarded as a second of the inconclusive general election last June, which led, after two months election last June,



parliamentary debate which led to his downfall.

minority Government. This was to have acted as a temporary compromise to give the country a period of political truce. This truce has now ended, bowever without any broad political agreement on a more stable and lasting governing formula. In fact, the political deadlock in Italy looks worse

reject Communist participation in Government and the Communists have emphasised that they will remain in opposition unless they are given Cabinet

The Christian Democrats, vote, can only hope in these and social programme. circumstances to secure a parliamentary majority with the support of the Socialists, who hold the balance of power in the electorate behind them.

now deeply split, with the right well result in another national unity to tackle the administration could well be country's dire problems. Such the outcome. Government would include the Comunists.

It was the split in the party which precipitated the latest crisis because Sig. Bettino Craxi, the Socialist leader. could no longer guarantee the full, if indirect, support of his party to Sig. Cossiga.

These divisions among the

Socialists are likely to make any early solution to the present crisis extremely difficult The trouble stems essentially likely to be asked by President the formation of Sig. Cossigas' from the breakdown in the Pertini early next week to fast running out in Italy.

dialogue between the long- atempt to form a new governruling Christian Democrats and the Communists, which together account for 78 per cent department of the control resignation, said it was now Although leaders of both necessary to find an acceptable parties generally agree that political compromise to enable Italy is virtually ungovernable the country to tackle its growwihout a constructive dialogue ing difficulties. This was between them, the Christian generally seen as a bid to Democrats have continued to increase his chances of forming a new administration.

Sig. Enrico Berlinguer, the Communist leader, said his party would adopt a constructive stand towards any new government as long as there was broad agreement on the with 38 per cent of the popular new administration's economic These are all signs that the

main political parties are concerned to avoid hardening the current deadlock. The risk is Parliament with 9 per cent of that a new general election would once again have to be The Socialists, however, are held prematurely, and could of the party favouring a deal promise government to hold with the Christian Democrats the ring until the political excluding the Communists and parties find a more lasting the left pressing for the forma- formula. Another fragile tion of a Government of minority Christian Democrat

Although this is one of the most difficult crises Italy has faced in the past 35 years, it is unlikely at this stage at least to cussions. Indeed. Italians appear to have learnt to live remarkably wel without governments during the past decade.

One prominent politician com mented vesterday that "after all, Italian governments tend to fall in the spring to enable the new But political formulas are now

Pandolfi may lose IMF policy chairmanship

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

in Hamburg next month of the International Monetary Fund's policy-making interim commit-

tee. Sig. Pandolfi is chairman of the committee and it is customary, though not mandatory, since no formal rules exist for up support for the proposed selecting a chairman, that the head of the committee be a IMF-the sitting finance minister.

Italian government, the com- special drawing rights.

THE RESIGNATION of Sig. choosing a replacement—as it Filippo Maria Pandolfi, the did when its three previous Treasury Minister in Sig. chairmen. Mr. John Turner of choosing a replacement-as it be able to report to the without controversy inside the Cossiga's Coalition, threatens to Canada, Mr. Willy de Clerq of complicate matters for what Belgium, and Mr. Denis Healey looks like an important meeting of Britain, lost their Cabinet

Equally important is that Sig. Pandolfi has undertaken re-cently, mostly on his own initiative, a round of international discussions designed to drum Substitution Account at the scheme governments could deposit sur-Thus, unless Sig. Pandolfi re- plus dollars with the IMF and turns in the next month in the receive in return interestsame position in any subsequent bearing claims denominated in

over his own political future as "an unguided missile may further dislocate the process of forming an inter-national concensus behind the creation of the account. Aiready the substitution

at has lost one advocates with the account has lost one of its prin-Treasury of Mr. Anthony Solomon, shortly to become president of the Federal Reserve Bank of New York. Indeed the recent strength of the dollar has wereby. the extent of the U.S. commitment to the account. Sig. Pandolfi's role in promot-

Hamburg meeting on progress IMF: some in the institution made in this effort uncertainty have taken to referring to him his negotiations and it has been noted that West Germany, prin--cipally in the person of Herr Hans Matthoefer, the Finance Minister, has been discreetly pursuing its own substitution account negotiations.

The Hamburg meeting is also due to discuss other important issues in which the chairman would have been expected to play a significant role. These include the admission of the Palestine Liberation Organisa-IMF and World Bank, and the

Petrol price rise is third in six months

FOR THE third time in the last products in Italy are indexed on six months, the price of petrol and other oil products in Italy was increased yesterday following a decision by the Interministerial Prices Committee, one of the country's main economic decision-making economic decision-making bodies. Top grade petrol now costs L680 a litre (£1.62 per gallon) while diesel costs L309 a litre (74p a gallon).

latest increases are the

international crude prices, variations in the Lira-U.S. dollar exchange rate, and the average price of oil products in Western Europe compared with those in Italy.

by the outgoing Government of national oil co Sig. Giulio Andreotti to enable Italian market. Italy to compete more effectively for scarce crude supplies and encourage the oil com- December that Italy risked an recently negotiated panies to supply additional overall shortfall this year of Italian authorities result of a recently introduced and encourage the oil com-pricing mechanism whereby oil panies to supply additional

the gradual easing of Govern- requirements. ment price controls on oil

crude to the country.

some 25m tonnes of crude, of the Since the introduction of the equivalent of about a quarter new mechanism, together with of the country's total oil

But following the introducproducts, Italy has substantially tion of the new pricing method reduced its estimated shortfall and the modifications in the This pricing system was in imports for 1980 by again system of Government price approved at the end of last year attracting the major inter-controls, the estimated shortfall national oil companies to the has been reduced to barely 3m tonnes. However, this sizeable Sig. Antonio Bisaglia, the reduction is also the result of Industry Minister, warned last additional direct oil supply deals

Malta pact with Libya disclosed

By Godfrey Grima in Valetta

COMPLETION BY Malta of a "temporary" defence agreement with Libya has been disclosed to Partiament in Valletta by Mr. Dom Mintoff, the Prime Minister. He said the part would be extended and strengthened when the time was

Mr. Mintoff's disclosure came when he was replying to an opposition MP who asked why helicopters given to Malta by Libya were still flying with Libyan markings.

Mr. Mintoff refused to give the MP a detailed answer but said that a temporary agreement had been concluded under vhich the Libyan Government had pledged all possible aid to strengthen Malta's defences against any eventuality.

Schmidt overture to Honecker

Herr Helmut Schmidt, yesterday called on President Erich East Germany's both German states. leader, to meet him "as soon as Bonn has indicated that it will possible" in order to avoid a advise West German athletes to confrontation on German soil," resulting from what he called the dangerous world situation. A planned meeting between

Herr Schmidt and Herr Erich Honecker, was postponed only recently because of worsening relations between Moscow and Washington. Only hours before the Chan-

cellor's state of the nation speech to the Bundestag, Herr Honecker warned that relations between East and West Germany would suffer if Bonn sided with U.S. return to the Cold War. Earlier in the week, East if contacts were restricted bethat it will achieve much in the Germany said that if West tween East and West Germans, current political atmosphere, Germany joined a U.S.-led Although their summit meet-but the Soviet Union has said boycott of the Olympic Games in ing in East Germany was post-the meeting must take place.

tive consequences" for "relations between the athletes of

boycott the summer Olympics if uraw its troops from Afghanistan by May 24, the date by which national Olympic committees must declare their intentions. Schmidt Herr

obliquely to the East German warnings by noting that, in a confrontation "no one would suffer more than the Germans,

WEST GERMANY'S Chancellor, Moscow, this would have "nega- poned, the two German leaders shortly afterwards spoke by telephone and agreed to go ahead with a number of joint projects to improve West Berlin's road, rail and canal links with West Germany across East

> capital goods. The West German Chancellor told the Bundestag that the European security conference follow-up meeting, planned for Madrid this autumn to discuss especially those on the other Madrid this autumn to discuss side." This is seen as a implementation of the 1975 reminder to the East German Helsinki accords, should go leadership that the 17m East ahead. Several Western govern-Germans would be hurt the most ments have expressed doubt

the exchange rate of the schilling.

> It is also stressed that there is no scope for the 1-2 per cent increase in real wages advocated by Herr Anton

Observers here believe other measures may be neces sary in the fields of budget and incomes policy to main-

tain Austria's record of combining steady growth with a relatively low rate of inflation. Above all, budgetary restrictions are regarded as unavoid-

Portugal coalition split over presidential poll

division on the crucial issue of "whether we like it or not, Sr. Sa Carneiro said the population still approved of the candidacy for the presi- Portuguese society today is President had made clear that General Eanes as President, dential elections later this year. bipolarised and whoever we he did not support the ruling against 20 per cent who did not.

Sr. Carlos Macedo, a leading pick as a candidate will be Democratic Alliance but Some 31 per cent of those intermember of the largest party in opposed automatically by the wanted an agreement between viewed said they were unthe coalition, the Social other side." The choice of a the Social Democrats and the decided and 4 per cent refused Democrat party (PSD), has military man could cause said that he favours a civil serious divisions within the candidate and preferably one armed forces and have a alliance. This definition appears to contradict the view expressed to contradict the view expressed last week by the second largest Carneiro, the Prime Minister, dential candidate, although Sr. before then. grouping within the coalition, has again said publicly that Macedo and others within his the Christian Democrats (CDS), there are profound political party appear to be pressing him which specified that the candidifferences between himself strongly to do so. date should be a military man and President Antonio Ramalho

FOR THE first time since it national

with broad popular support, Eanes. Speaking on Portuguese capable of cutting across party lines.

Speaking on Fortuguese the animal support television for the first time since Carneiro is perhaps the only almost certainly be decided belines.

Capable of defeating fore the general election which

executive, it is tween the Government, Presitook office two months ago, unrealistic to think in terms of dent Eanes, and certain mem-Portugal's governing coalition a "national" candidate. bers of the Council of the dependent weekly "Expresso" has begun to show signs of He told party militants: Revolution. showed that 45 per cent of the

Socialists, but this was no to answer. longer realistic, politically.

yet commented publicly on the but the Portuguese constitution possibility that he might offer specifies that a new President Meanwhile, Sr. Francisco Sa himself as an alternative presi- must be elected at least a month party appear to be pressing him important influence on Portu-

In the opinion of Sr. Macedo, Sr. Sa Carneiro said there was General Eanes, who still comiss due at the end of the sumwho is president of the PSD's "no political solidarity" be mands wide popularity, inc.

An opinion published re-

President Eanes' four-year The Prime Minister has not term expires next January 14

Nevertheless, because of its guese politics, it is generally The view emerging within assumed here that a list of the alliance is that Sr. Sa presidential candidates will



President Eanes: division

anthrax epidemic

USSR

denies

THE SOVIET UNION hinted yesterday that there was an epidemic in Sverdiovsk last spring but that the cause was not <u>anthrax,</u> a bacterial disease whose toxin is an agent in germ warfare, but foot and mouth disease, which is still common in agricultural areas.

The Soviet news agency Tas dismissed Western reports of a leak in a germ warfare plant as "ravings," but said that epidemics of "cholera, plague, typhus or foot and mouth disease" arise from ' time to time in various parts of the world." The unusual inclusion by Tass of foot and mouth

disease in a list of diseases

which affect humans may have been prompted by the fact that like anthrax, it is transmitted by animals. Unlike anthrax, however, it cannot be used as a bacteriological weapon. Tass said that if an

"incident" was created every time an epidemic broke out somewhere in the world it would be possible to collect evidence of NATO preparations for bacteriological warfare. "The point is how one looks at happenings," the agency said.

Tass did not state directly that the epidemic which reportedly took place in Sverdlovsk with the loss of many lives was the result of foot and mouth disease and did not say that an epidemic ever took place there. But the Soviet Union appeared to be preparing an official explanation in the face of mounting evidence of an out-break of some kind.

"Anyone who knows anything about medicine knows that from time to time in various regions of our planet there occur outbreaks or epidemics of various epidemics of various diseases," the news agency

Tass made no reference to the articles last year in Vecherny Sverdlovsk, the Sverdlovsk evening newspaper, warning residents how to protect themselves against anthrax. A staff member at Vecherny Sverdlovsk said this week that he could not remember why the articles were published. Past Soviet Press practice

suggests they could only have been published to head off

up discount rate 1.5%

By Paul Lendvai in Vienna

FACED WITH a growing drain on reserves, the Austrian central bank announced yesterday that the discount rate will be raised today by i percentage points to 61 per cent, the highest level in the past 25 years. This is the second major increase in two months.

Lombard rate is being raised by a similar amount to 7½ per cent. The new rates reflect the growing concern of the Cov-ernment and the monetary

authorities about the drain on rserves. Austria's current account deficit is running at an annual rate of Sch22bn-Sch30hn, which means that it could be 50 per cent higher oan last year's Sch18.8bn Dr. Hannes Androsch, the Finance Minister, said yesterday that the higher discount rate was necessary to defend

Bonn seeks Argentinian guarantees on N-plant

BY ROGER BOYES IN BONN

THE WEST GERMAN Governfresh guarantees on nuclear technology safeguards and to discuss the appears to be holding up senior officials. approval for the delivery of a eactor to Argentina.

Kraftwerk Union (KWU), 2 contract to build a nuclear power station for Argentina, which plans to spend an estimated \$10bn (£4.6bn) on its ambitious nuclear power programme over the next 20 years. Sulzer Brothers of Winterthur contributing significantly in Switzerland is to Instal the heavy water plant in the

But the West German Government has yet to grant an export licence to KWU and is still discussing the nature of the safeguards required. Herr Guenther van Well, State

Secretary in to discuss the matter with controversial

The clinched shortly after a visit to Argentina by Count Otto subsidiary of Siemens, was last Lambsdorff, the Economics year awarded a hotly-contested Minister, has come under fire from both the U.S. and Canada. The U.S. has expressed concern that Argentina, which has bilateral nuclear agreements with several other Latin American countries, could be controuting significantly to nuclear proliferation in the region.

unhappy because it felt that the ments established

the Foreign Germans were sidestepping the ment is pressing Argentina for Ministry. has travelled to safeguards issue by inviting fresh guarantees on nuclear Argentina where he is expected Sulzer to take care of the heavy water plant, the most delicate part of the deal

The West German Cabinet discussed the question of Argentine safeguards on Wednesday and agreed to continue talks with the Buenos Aires Government. Government officials are careful to separate the safeguards issue from the granting of the export licence but it is clear that the two matters have now become closely interwoven.

The -Argentinians Canada, which unsuccessfully declared that they are willing competed for the contract, was to satisfy the safeguard require-Germans had breached an International Atomic Energy understanding that they would Organisation but are adaman both insist on strict safeguards. that they will not accept addi-The Canadians felt that the tional requirements.

Dutch unions in national protest over wage limitation proposal

BY OUR AMSTERDAM CORRESPONDENT

NATIONAL day of protest of marchers at only 45,000. called by the Netherlands largest trade union federation yesterday brought strikes in industry, the ports and the building sector and halted trains, trams and buses through much of the country.

1.1m-member federation claimed 100,000 people took part in a mass demonstration in the centre of Amsterdam to protest against the Government's plan to control wages.
The FNV said 150,000 of its

members went on strike for the whole day while up to 150,000 more took part in short work stoppages or were unable to work because of strike action. It claimed the demonstration in Amsterdam, attended by union members brought by special buses from throughout the country, was the largest ever held i nthe Netherlands. The police, however, put the number

The employers' estimates of the impact of the strike were also more modest with the Dutch Employers' Association claiming only 30,000 people or 1 per cent of the working population in the private sector had downed tools.

The union action was aimed

at bringing pressure on Parliament which today debates the Government plan to control wages this year. Wage rises will be limited to a gross Fl 26 (\$12.60) a month while companies may only increase their total wage bill by 0.75 per cent. Tax concessions will give the lowest-paid workers an extra Fl 100. It is generally believed that MPs will approve the measures.

The Dutch railways were the unions hoped and local and wages to prices this year.

inter-city trains were generally without excessive

đelays. Provincial bus services in many parts of the country did not run while trams and buses in the big cities remained in the depot. The port of Amster-dam was largely shut down, though Rotterdam was less seriously affected.

Some employers attempted to gain court injunctions ordering the strikers back to work but these were unsuccessful. Hongovens, the steel producer, said it would seek damages for lost production.

The FNV will now discuss further action with its affiliated unions and this is likely to take the form of exploiting loopholes in the Government's wage legisaffected for the first time in lation. The unions are particutheir history, but the strike was larry unhappy at the suspension considerably less effective than of the automatic indexation of

Labour leader takes the stage

BY CHARLES BATCHELOR IN AMSTERDAM

THE GROWING unrest in the normally peaceful Dutch labour scene has thrust to the fore, Mr. Wim Kok, leader of the country's largest union. The tall, slim, youthful figure

of Mr. Kok has come to sym-Austria puts holise the Netherland's progressive labour unions and the climsive labour unions and the climate of reasonable compromise on which much of the country's post-war prosperity has been built. A frequent speaker at international business seminars, fluent in several languages, he has come to represent the modern European union leader, keen for consensus rather than

confrontation. Yet, in a matter of months, within the Netherlands at least, Mr. Kok's tone has become strident, his warnings to the government more stern, and demonstrations more frequent. At_the start of his career, Mr. Kok seemed bound for a career in management. After graduating from the Netherland's foremost business school at Nijenrode just outside Amsterdam, he went to work

for an international trading combany. Dissatisfied with this job, he moved to the Socialist trade union federation, the NVV, where he worked in its international division, handling relations with unions in neighbour. ing countries. By the time the Socialist union lined up with the Catholic NKV in 1976, Mr.



Mr. Kok: more strident tone

federation, comparable in size with British unions, such as the National Union of General and Municipal Workers. Under the Dutch labour system, the federation co-ordinates policy for a dozen or so unions representing workers in the different sectors of industry, such as transport or the docks.

Unlike in the UK, however, the Dutch Labour Party does not depend on the union movement for support or funding and Kok had become chairman, the Dutch unions have not been After the link, which is closely involved in politics. How-expected to become a full ever, the past two years, under merger in 1981, he became the centre-right Government of chairman of the newly created Prime Minister Dries Van Agt, With 1.1m members, the FNV has seen a growing politicisa-is now the largest Dutch union tion of the FNV. Mr. Kok

warned recently that the Government's policies have conright resistance.

In return for several years of moderation, the unions have seen cherished articles of social reform, such as an excess profit sharing scheme and an extensinn of works council's powers.

What has forced the unions into taking a tougher stance, has been the worsening economic position which now threatens to erode established practices. such as the right to automatic indexation of wages to prices.

The union leadership, under Mr. Kok, has been compelled to

take an aggressive stance for fear of being out-manoeuvred by individual union activists from the far left. The outbreak of a series of strikes in Rotter-dam last autumn reflected the frustrations of many members with the union's moderate

Mr. Kok's current hard line has to a large extent been forced upon him. There is no doubt, though, that government wage controls have, in his eyes, suspended the unions fundamental right to take part as a full partner in a discussion of economic and social objectives.

Will the attention focused on Mr. Kok by the labour troubles of the past few months establish his reputation as the Dutch counterpart of leading British union figures such as Jack Jones or Arthur Scargill? This seems unlikely. The position held by framework ultimately reserves greater rewards for men of compromise rather than con-

Terrorists murder Turkish officer

BY METIN MUNIR IN ANKARA

Turkish lieutenant in the city cent. of Diyarbakir which has a predominantly Kurdish population. is a consequence of the recovery

headquarters in Diyarbakir, one

of 20 provinces under military The killing which took place gain value with the dollar. on Wednesday night outside the by the authorities yesterday. The murderers fled and have not been identified.

In the past two months invisibles. terrorists appear to have turned their guns on soldiers and policemen. The authorities say that the terrorists' aim is to own strength.

Meanwhile the Turkish lira the pound, lost value against the per cent wage increase

TERRORISTS have murdered a lira by between 1.2 and 5.5 per The strengthening of the lira

Lieut. Omer Koc was the first of the dollar to which the officer to be killed by terrorists Turkish currency is pegged, since the declaration of martial The dollar's recovery conlaw in December, 1978. He was fronted the Turkish Central attached to the investigation Bank with two choices, neither department of the martial law of which it relishes, a senior official said. The first was to devalue against the dollar. The second was to allow the lira to

The bank did not choose the city officers' club, was reported first alternative because it would create an expectation of further devaluation with negative impact on both exports and

A strike by Turkish metalworkers' spread yesterday to 53 sites involving 15,000 workers. The metalworkers' union, one demonstrate the vulnerability of the biggest in Turkey and a of the security forces and their member of the radical trade union confederation is expected to spread the strike to the whole was revalued yesterday for the of the metal industry this second time this month. Thir- month. The union, with 35,000 teen major currencies, including members, has rejected a 100

Phillips cuts **Ekofisk** estimates

By Our Foreign Staff

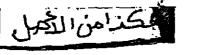
PHILLIPS PETROLEUM of Norway has lowered its estimates of both peak oil production rates and oil and gas reserves at its greater Elphisk area fields in the Norwegian sector of the North Sea.

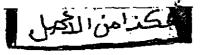
Following recent development drilling and field performance studies, peak oil production has been down-graded to 500,000 530,000 barrels of oil a day (b/d) to be achieved in 1980 and 1981. Estimates in June last year put the expected peak production rate at 575,000-625,000 b/d in the early 1980s.

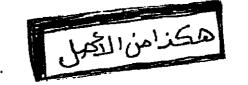
Estimates of reserves for the Ekofisk area, including oil and gas already produced, also have been lowered. They are now put at 3.2bn barrels of oil and oil equivalent, down from an estimate of 3.7bn barrels last June.

extest Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second Class postage paid at New

FINANCIAL TIMES, published







OPEC plan for production cuts to maintain prices

THE ORGANISATION of of industrialised countries. Petroleum Exporting Countries has agreed in principle on a report is to be submitted to an also be adjusted at times of system whereby price levels extraordinary OPEC conference shortage to prevent prices would be maintained by production involving Finance and Foreign going too high—with the risk

of a report by the OPEC com- Saudi Arabia, on May 5. Subwhich was completed in be ratified by an OPEC summit which was completed in be London last month. The re- to ducers have come to adopting ducers' association. a production programme since an abortive experiment in the

In the past Saudi Arabia has. always opposed the principle of a production programme. It now apparently accepts the idea that some kind of co-ordinated measures should be taken to mum level decided upon by

Proposals made by the committee over which Sheikh Ahmed Zaki Yamani, Saudi any shortfall should be assisted Minister of Oil, presided will next year. As reported previously they include regular price increases to take account take the form of oil-indexed of inflation, exchange rate bonds allowing the countries in fluctuations, and—to raise them financial need to get the revenue in real terms—the growth rates and defer production,

tion cuts during periods of temporary glut on the market. This emerges from the text scheduled to be held in Taif,

be held in Baghdad next The report recognises that an

supplies and demands will ensure a steady rise in prices in the future, but foresees periods of surplus when there will be downward pressure on prices. At such times it recommends that members respond by delaying production.

No system of apportioning

cuts has been evolved. How-ever, the committee believes through a special arrangement not be implemented before of funds to provide compensatory financing.

It is suggested that this may

The strategy committee's says that production should

The basic strategy spek out in the report is that prices should never fall below a basic they should be administered to gradually to approximate comendations contained in it October marking the 20th to the cost of alternative are the nearest that the oil pro- anniversary of the oil pro- sources of energy. No precise time-frame for attaining the objective is given.

The best method towards

fulfilling the aim is to relate

increases in real terms to the growth in gross national proof members of the Organisation for Economic Co-operation and Development because the rate indicates their ability to absorb price increase and the tendency towards greater consumption. It is proposed that the inflation index should take account of services as well as merchandise imports and also the domestic rates of inflation in

OPEC member countries. The exchange rate adjustments would be made on the basis of the 11 currencies included in Begin rejects totally. short period plus the dollar. Malaysia claims big gas find

the amount of pressure he can apply to the Israeli leader during an American election campaign in which the President would like to win as many Jewish votes as possible. Meanwhile the Israeli settle-

ing of the new Efrat settlement. Earlier Israel seized 500 acres of Arab land for Efrat.

tion that Syrian forces have completed preparations to withstand any reprisals which Israel may launch in retaliation for guerrilla attacks, according to Palestinians in the Lebanese capital.

They were unable to confirm Heights front.
But they pointed out that the

fact Damascus had let the news about the reported offer surface now could mean that the Syrian The much-feared decline has for the last few years but this abroad are higher than in India murdered in hospital this week Government was thinking now set in and indications are was more than covered by the so some expatriate Indians now while undergoing treatment

Begin will resist U.S. pressure on settlements

ISRAEL'S Prime Minister, Mr. Menahem Begin, will resist U.S. pressure to amend his policy on Palestinian autonomy and to stop building Jewish settlements on the West Bank, when he meets President Carter in Washington next month.

Israeli officials, who were a bit surprised by the President's invitation, accept that Mr. Carter will apply pressure to Mr. Begin for greater flexibility on Palestinian autonomy in an effort to break the stalemate in the negotiations which are due to be concluded by May 26. But the Israeli leader has

already made it clear that he intends to stand firm despite the fact that the U.S. view of Palestinian autonomy is closer to the Egyptian position than to the Israeli interpretation.

Mr. Begin will tell President Carter that by accepting the Egyptian model for autonomy, which would include a legislative council for the West Bank and Gaza Strip, Israel would be acquiescing in the creation of a Palestinian state, which Mr.

Israeli officials believe that Mr. Carter will be limited in

ment programme is continuing despite criticism. Only yester-day it was revealed that Israel had fenced off another 100 acres beside Bethlehem for the build-

Than Hijazi in Beirut reports: Syria has informed the Palestine Liberation Organisa-

reports from Damascus that President Hafez al-Assad had offered to allow the guerrillas to mount cross-border operations against Israel from the Golan

The reserves rose by Rs and cement. The prices of all countries because of restrictions 18.93bn in 1977-78 and by Rs these items have increased in imposed on them and many 7.95bn in 1978-79, thus offering international markets. the Government a cushion. The

Tanzania pleads for food aid

with Uganda, Tanzania is facing following a deficit for 1978/79 its most serious economic crisis since independence. Caught reserves have been virtually between declining export wiped out since the war which receipts and soaring oil prices, cost the country £238m of which the Dar es Salaam Government £178.5m was in hard currency. is desperately trying to close its Inflation has been running at 25 yawning balance of payments to 30 per cent although official gap. Now bad rains have figures put it much lower. forced President Julius Nyerere to make an urgent appeal for devaluation, a cut in Govern-food aid to avoid a famine later ment spending of 128 5m over this year.

As a measure of how hadly the country needs help, President Nyerere is thought to be considering reopening negotiations with the International product. Production of all the Monetary Fund. Talks were major export crops—coffee, broken off four months ago cotton, sisal, pyrethrum and when the President accused the fund of trying to force him to abandon his Socialist policies. Talks have not yet started again but Tanzania is said to have altered its ground a little to income. clear the way for more

The IMF proposed a painful

ONE YEAR after a costly war deficit of £202m for 1979/80 of £110m. Foreign exchange £178.5m was in hard currency. The IMF demanded

ment spending of £28.5m over encourage dwindling agricul-tural exports. Government tural exports. Government spending has been growing at cotton, sisal, pyrethrum and cashew nuts-have declined because of supply and delivery bottlenecks and poor rains. At the same time, oil now swallows nearly half the country's export

cuts in public sector spending virtually unobtainable except saying they are bound to hit the on the black market. prescription for immense poor hardest of all. He says The World Bank has offered problems. Tanzania will have that already imports have been some light in Tanzania's a projected balance of payments ruthlessly slashed and many economic darkness. The bank,

President Nyerere: nev approach to IMF

factories are on short time or have closed because of raw materials shortages. The consumer also suffers ncome. from shortages. Flour, rice, But the President has fought sugar and cooking oil are from shortages.

which is already the country's biggest aid donor, has offered an unusual facility called a structural readjustment loan. The deal should be signed in September and unlike previous World Bank schemes it will not be tied to particular projects. \$50m a year for the next five years in long-term interest-free loans in addition to the £65m a year it already gets for projects

from the bank. Other donors have been less generous, Tanzania already receives around \$600m a year in foreign aid making it one of the highest per capila aid recipients in Africa. But an appeal for more aid by President Nycrere in mid-1979, when Tanzania was reeling from the war to oust Idi Amin from Uganda, brought virtually no

response. One reason for hesitation by aid donors is that Tanzanian troops are still based inside Uganda and open support might attract the ire of other African countries which condemned Tanzania's actions.

Binaisa to

call early

elections

Ayatollah denounces poll critics

AYATOLLAH KHOMEINI political interests of President before the 50 U.S. hostages in virtually ruled out any re-run Abol Hassan Bani-Sadr who has the Tehran embassy are of Iran's disputed parliamentary declared that where rigging is released. Mr. Bani-Sadr has of Iran's disputed parliamentary elections yesterday when he announced that they had been held peacefully and "in a good

would be investigated but tions a week ago and has been

damaging impact on the on the return of the Shah next month.

BY K. K. SHARMA IN NEW DELHI

proved, new elections will be tried to separate the issues. ordered.

Intentionally or otherwise, help the Islamic Republican results are expected before Party which is opposed to the next week. About 180 of 270 making a fuss about them was accused of the most malpractice.
The IRP, which is dominated by hard-line clergy, is insisting by the clergy is insisting the clergy.

INDIA'S foreign exchange re- a sharp drop. invisibles. These are mainly serves have fallen for the first. The main reason for the remittances from Indians work-

There has been a trade gap

Sharp fall in Indian reserves

time in more than four years. decline is a larger trade deficit At the end of February, they as a result of slow growth in stood at Rs 52.41bn (£2.9bn) exports combined with a heavy which is Rs 540m less than at increase in imports owing to

the beginning of the financial large purchases of crude oil, year in April 1979. petroleum products, edible oil

Political life has come to a halt for the five-day new year the Ayatollah's comments will holiday and no more election constituencies have been declared so far, but in only about 75 have the winning candidates received the necessary 50 per cent majority. A second round is due early

workers are finding it more difficult to secure jobs in Arab

countries because of restrictions

Interest rates offered by banks

has agreed to bring forward to October or November this year the date of elections in Uganda originally promised for June,

> They will be the first elec-tions held in Uganda since the presidency of Dr. Milton Obote, who was ousted by Idi Amin in

The only authorised party in Uganda at present is the Uganda National Liberation Front, but Dr. Obote, who is in Tanzenia, has said he will return to fight elections when they are called.

A powerful group in Uganda supports Obote. But the influ-ential leaders of the Baganda tribe are bitterly opposed to The remittances are now fall-ing from an average of around round Professor Yusufu Lule, 1.5bn a month. Indian who was President for a brief period after Amin, or round President Binaisa.

In the latest outbreak of political violence a leading politician, Mr. Gaster Nsubuga. who supported Mr. Lule, was

ALAYSIA SAYS it has disan agreement with three In a message to mark the overed one of the world's biggest natural gas fields, off the beginning of the Persian new Party which is opposed to the year the Iranian leader said President. The party won most Japanese utilities companies to supply liquid natural gas at the rate of 6m tonnes annually for complaints about the elections seats in the first round of elec-20 years starting in 1983.

Peninsula.
Dr. Mahathir Mohamed, Deputy Prime Minister, said in an interview that the gas field off Trengganu state had reserves far larger than that of central Luconia off the Sarawak coast

and the Sarawak field is already considered to be one of the world's biggest. The Trengganu discovery was made three years ago by Esso Production Malaysia, a sub-sidiary of Exxon, but officials from Exxon and Petronas, the Malaysian oil company, have all along been secretive about its

In confirming the size of the field, Dr. Mahathir did not give precise figures on the reserves, but pointed out that the Sarawak tield in east Malaysia is expected to have a commercial life of 40 vears, while the Trengganu one would last for at least 70 years.

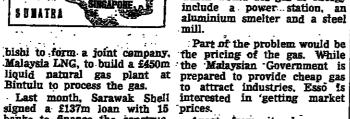
The Sarawak field was dis-covered in 1968 by Shell. Shell



Bintulu to process the gas. signed a £137m loan with 15 prices. banks to finance the construc-

tion of undersea pipes and facilities to bring the gas to

Last month, Sarawak Shell



Apart from its huge gas reserves, Malaysia is also a net oil exporter, with daily produc-tion of 317,000 barrels and con-

Dr. Mahathir said the Govern-

ment and Esso have not decided what to do with the Trengganu

gas, but said it would be used

as a base for a petro-chemical complex to be developed in Trengganu, which is one of

Projects, other than petro-chemicals being considered

which would use gas as energy

Malaysia's poorest states.

seriously about opening up its that by the end of the financial increase in foreign exchange prefer to keep their funds after an earlier attempt on his front to Palestinian guerrillas. has joined Petronas and Mitsu-Malaysia LNG has also signed

BARCLAYS BANK HELPS RALLI

Ralli Brothers and Coney, one of the world's leading cotton merchants, exports to the fast-growing cotton industry in Korea. Here cotton is made into everything from high fashion dresses to neat, simple white uniforms for the schoolchildren.

The Barclays Bank International group helps Ralli Coney finance the movement of cotton crops throughout the world. Barclays in California provides finance for Ralli Coney to buy from Californian farmers. In Korea, payment is made through letters of credit handled by Barclays in Seoul.

We have our own people and our own branches wherever they are needed for international trade. The Barclays International group is in over 75 countries spanning five continents. We are in Paris, Sydney, Tokyo and Dubai. As well as in San Francisco and Scoul

We help most of the world's successful international companies. Somewhere there is a market where we can help you.



McHenry 'wanted to resign'

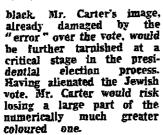
BY RICHARD JOHNS, MIDDLE EAST EDITOR

DONALD MCHENRY. U.S. Ambassador to the UN. tendered his resignation fol-President Jimmy Carter's disavowal two-and-ahalf weeks ago of the U.S. vote in the Security Council condemning Israeli settlements.

But he was strenuously dissuaded from quitting by strong appeals from Mr. Cyrus Vance, according to an informant close to the Secre-

tary of State.

He pleaded that Mr. Carter could not afford a repeat of the affair arising from the resignation of Mr. Andrew Young, Mr. McHenry's prede-cessor at the UN who is also



One hitherto unpublicised factor behind Mr. Carter's volte-face is understood to have been a pledge made to Mr. Menahem Begin, Israeli Prime Minister, at Camp David in 1978 that the administration would refrain from public reference to the future of Jerusalem



Vance attempts to silence Senate critics of UN vote

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

that U.S. policy towards Israeli was essentially unchanged. It would therefore be unhelpful to rake the Administration over the coals for its recent "errovote in the United Nations at this delicate junc-ture in the Palestinian Council resolution condemning

The White House announced Jewish settlements on West this week that Mr. Menahem Bank Arab land. On March 1. and President Anwar Sadat of tion, which was thus carried Egypt would make separate unanimously in the council, but visits to the U.S. next month, two days later President Carter in a new bid by President Jimmy Carter to break the deadlock on key issues in the by the State Department. Camp David accords, which aim Senator Frank Church, the to set up a self-governing committee chairman, said the

MR. CYRUS VANCE, U.S. authority for Palestinians living Senate hearing should not con-Secretary of State, told a in Israeli-occupied Gaza and Senate committee yesterday the West Bank. Mr. Sol Linowitz, the U.S. mediator in the negotiations, is to leave today land and the status of Jerusalem for the Middle East to pave the way for the April visits.

The Senate Foreign Relations Committee yesterday began, in relatively mild mood, its hear-Israel's practice of allowing a. Israeli Prime Minister, the U.S. voted for the resoluwishes had been misunderstood

centrate on the details of how the "mistake" came about, but on assessing the damage done to our national credibility. He, for one, accepted Mr. Vance's responsibility for the affair, but clashed with the Secretary of State on the latter's refusal to let Mr. Donald McHenry, the U.S. envoy to the UN, and Mr. Harold Saunders, the State Department's top Middle East expert, appear before the committee.

The U.S. still appased the expansion of Jewish settlements on Arab land. Mr. Vance said. hut explaining the disavowal of the U.S. vote, stressed that the disavowed the vote, saying his Administration had realised it was unhelpful for the autonomy talk sto have the delicate issue of Jerusalem raised in a Security Council resolution.

Mobil loses Settlement of IH challenge on strike delayed state taxation

BY STEWART FLEMING IN NEW YORK

obstacles were but it seems that vester to report a \$222m loss in the first quarter of its financial

EFFORTS towards ending a plants was continuing. He added that all the major national Harvester, the Midwest issues including pay and pen-agricultural equipment and sions, had been clear up tentacommercial manufacturer, have tively. It is understood that the again run into difficulty after question of the company's agreement on several major demand for some erosion of the principle of voluntary overtime

the two sides are close to a refinery workers in the U.S. settlement. The strike has looks like dragging on after an already led International Har- unexpected setback in negotia-It had been thought earlier

Detroit yesterday that although union now says that offers from central talks between the union other companies are falling and the company had been short of the Gulf terms and adjourned, local bargaining at have been rejected.

from 18.1 per cent in 1978.

as part of a retrenchment pro-

gramme announced at the end

of last year which resulted in a \$52 (£257m) loss in the final

Employees at the plant have

ing the closure through the

courts until a ruling is made

a verbal promise to workers

Industry angry over steel import trigger pricing

BY IAN HARGREAVES IN NEW YORK

THE U.S. steel industry reacted quickly if "major suits" were with dismay and anger yester- field. He refused to define day at the decision by the Carter major. Administration to freeze its Last year, imports totalled minimum prices on imported 17.5b tons or 15.2 per cent of steel in the second quarter of

Mr. Lewis Foy, chairman of the American Iron and Steel Institute and head of Bethlehem Steel, the industry's second largest company behind U.S. Steel, said he was "distressed" by the decision to freeze the so-called trigger price.

He also argued that there was nothing inconsistent " in maintaining the trigger price system while the Administration investigated anti dumping on whether the company broke sources where the corporation

Mr. John Greenwald, deputy that the mills would be kept assistant Secretary of Com- open so long as they were profit-merce, said the trigger able. It is argued that the mills

mechanism would be suspended were profitable last year.

By Our Washington Staff THE U.S. Supreme Court has ruled that a state may levy taxes on the foreign dividend income of a corporation doing business in that state.

In a six-to-one vote, the court threw out a constitutional chal-Officials would not disclose has also been resolved, yesterday what the remaining lan Hargreaves adds: An 11lenge launched by Mobil, the oil company, against the state of week strike by 60,000 oil refinery workers in the U.S. Vermont. The state had been trying to tax Mobil on a wider basis than the company's earnings in the state.

The Mobil-Vermont case has year and has raised fears that this week that a settlement long been considered one of the company is facing the betwen Gulf Oil and the Oil legal significance because it prospect of a loss for the year. Chemical and Atomic Workers addresses the highly contro-A spokesman for the United Union would set a pattern for versial area of the extent to Autoworkers' Union said in the whole industry. But the which states may tax international corporations.

> In a sense, the arguments reflected in the case are similar to those which have raged over the last three years over the Anglo-American double-taxation treaty, in which the principal British complaint has been the practice of a handful of American states to levy taxes on a so-called "unitary" basis, taking into account a corporation's world-wide income.

-However, it is impossible yet to determine the practical effect of the Mobil-Vermont ruling. This is because the court's verdict was far from sweeping. It the U.S. steel market, down merely upheld in essence, that Vermont could apply its own U.S. Steel has also run into tax formula on a corporation. but it passed no specific judgproblems in closing down its Youngstown, Ohio, steel plant ment on whether the formula Vermont used was proper.

Therefore, the way is presumably open for corporations to challenge on a case-by-case basis the formula a state does use. In this area, there is no in succeeded in temporarily block- such thing a a norm. Some states use unitary taxation. others tax income from foreign is only a minority shareholder. others where the corporation is a majority shareholder, and some levy no taxes on foreign income at all.

to lower technical barriers

By Brij Khindaria in Geneva

ONE OF the Tokyo Round's main achievements designed to speed up trade particularly among industrialised countries is the code on technical bar-

The code does not try to remove all such barriers but only to abolish unnecessary ones. Examples of such barriers are new technical regulations, quality standards, testing and certification methods and similar practices which, althousn aimed at removing malprac-tices, can hinder imports if local standards are used to disqualify foreign-made 200ds from entering domestic mar-

came from the U.S. and the Common Market while exporers have long complained that Japan uses technical rules and testing practices as ways to keep out imports.

While the code does lay down certain guidelines to detect such abuse of a nation's otherwise legitimate right to enforce technical standards, it will, by on means, be the lever to throw Japanese doors wide open to imports. It can only serve to make the opening a little wider.

The code leaves the job of proclaiming world standards and quality norms to various specialised bodies, such as Standards the International Organisation. But it urges signatory countries to take account of such international efforts and of standards used in other major countries in drawing up domestic rules.

There is no binding obligation to enforce obedience to the code, National covernments are asked to make "a best endeavour" to make local state and regional authorities apply the code's provisions.

The code's long-term aim is to encourage harmonisation of technical standards used by various countries. Its immediate requirement is that each zovernment should provide full information about any technical standards and other practices which significantly affect international trade to any foreign

A serious complaint brought against Japan in the past has been that information was provided reluctantly, was given too late and was often incomplete. The experience of European car exporters has been, for example, that Japanese rules on antipollution requirements and testing methods became barriers to exports because information provided did not give enough detail about actual practices.

GATT aims UAW opposes Carter car decision

WASHINGTON — Mr. cars.
Douglas Fraser, president of "They gave away the store,"
the United Auto Workers Mr. Fraser said, during the
union (UAW), said that the follow-up hearing before the Carter Administration's oppo-sition to any type of auto import restrictions reduces the along with some members of

Senate Economic Committee, that these companies would do

House-Senate Committee.

The UAW president, who. chances that major Japanese Congress, has been trying to pressure Toyota and Nissan companies will invest in U.S. into making U.S. manufacturmanufacturing operations. Into making U.S. manufactur and the U.S. is a Testifying before the joint ing investments, said that, for Honda cars. House of Representatives "there is now less chance" Mr. Suzuki said

House was opposed to import turing facilities at this time. His closing statement noted restrictions on Japanese-made would be "extremely risky," in that the Japanese Government

"They gave away the store," ingly shifting to smaller fuel-

efficient cars. He said that Honda, which has decided to build a \$200m car facility in Ohio, has its own reason for doing so. It " suffers from a lack of production capacity in the home country," and the U.S. is a major market

Mr. Suzuki said his company hoped to make a decision within astounded" by the position taken by Carter Administration officials at an earlier congressional hearing, where Mr. Nissan's U.S. affiliate, who said Negotiator, said the White Negotiator, said the White House was opposed to import turing facilities at this time three months on whether to shipped this cars and build a U.S. production plant, testimony from Mr. Yasuhiko Senator Lloyd Bentsen, committee chairman, praised the U.S. last year Senator Lloyd Bentsen, committee chairman, praised the Committee theard build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the Committee theard build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the Committee theard build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the Committee theard build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the Committee theard build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the Committee the U.S. and that shipments in January and Honda, for deciding the U.S. build plants in the U.S. His closing statement and that shipments in January and Honda, for deciding the U.S. build plants in the U.S. His closing statement and the U.S. His closing statement to build a U.S. production plant. Senator Lloyd Bentsen, committee chairman, praised the U.S. and that shipments in January and Honda, for deciding the U.S. His closing statement and the U.S. His closing statement and the U.S. His closing statement and the U.S. and th three months on whether to

requires that U.S. gircraft manufacturers wishing to sell to Japan must build a certain percentage of each arroraft in that

country.

Meanwhile in New York

Meanwhile in New York Nissan Motors said it would probably ship to the U.S. an many cars in 1980 as last year. Mr. Mitsuya Goto, deputy general manager of Nissan's international division told the

Japan society that Nissan

shipped 0.5m cars and

HK attacks UK textile curbs

KONG launched a strong attack on Britain's textile import re- of the UK market has fallen strains which it claimed was from 16 to 13 per cent, that of benefiting the advanced indus- developing countries as a whole trial countries at the expense has gone down from 33 to 31 of the developing world and the per cent while the EEC has

onsumer.

The colony, which was to 42 per cent.

blized to accept cuts in its Mr. Bill Dorward. Hong Kong obliged to accept cuts in its import quotas for certain sensi- director of trade, Industry and tive products under the last Customs, said in London yester-round of the GATT multifibre day that the UK industry's arrangement (MFA) negotiated problem was that it was not in 1977, claims that this has not competitive even with countries low-cost imports, this inevitably resulted in more room for small with much higher wage rates meant increased supplies from

Instead, Hong Kong's shafe increased its proportion from 37

The criticism by Hong Kong of the present arrangements is intended in part to counter the strong pressure by the UK industry for even tighter restraints on imports to be included in the next round of the MFA starting in 1982.

The argument now being put forward by Hong Kong is that IIK manufacturers were unable last year to keep pace with the rise in home demand and that because of the limitations on

Dutch chemical exports increase BY CHARLES BATCHFLOR IN AMSTERDAM

DUTCH CHEMICAL exports 18 per cent to F1 127.6bn, while differs from the Dutch chemical rose strongly in both value and imports also rose 18 per cent industry's method of calculating volume last year, outpacing the to Fi 114.4bn. sales, the industry's association increase recorded in industry

Exports, which account for with price rises accounting for chemical products, so its own more than 80 per cent of the two-thirds of the increase by import and export figures, due chemical industry's sales. in value. shortly, will be higher. creased by 29 per cent to Fl 20.7bn (£4.5bn). Imports rose by 28 per cent to F1 11.5bn. according to Dutch Central Statistics Office figures. These rates are nearly double

The most expansive sectors

to F1 7.6bn. and plastics, where they rose 30 per cent to F1 5.9bn. The statistics office figures are

Fi 114.4bn. sales, the industry's association Chemical exports rose about (VNCI) said. The VNCI method 10 per cent by volume last year, uses a broader definition of

Production levels in the Though were organic chemical products chemical industry rose 7.6 per where exports rose 55 per cent cent last year against 4 per cent in 1978. This was faster than the actual growth in the use of chemicals and reflected stock-

those achieved by industry as based on the standard interna-a whole, where exports rose by tional trade classification which industry and others. Fraser, Muldoon seek closer ties

Australia and New Zealand meet today in Wellington to discuss closer economic co-operation between their two countries.

The meeting should test the political will of the two leaders to move towards a more liberal trading relationship to replace the 1966 New Zealand-Australia Trade Agreement (NAFTA).

tests as tough as those laid Mr. Fraser and Mr. Robert either country objects. Muldoon at the Commonwealth

THE PRIME MINISTERS of Heads of Government meeting cratic level there is recognition in Lusaka last year and various discussions since then between officials of both Governments.

In spite of the words "free trade," NAFTA is generally considered by politicians and bureaucrats on both sides of the Tasman Sea to be restrictive rather than liberal.

Section A of NAFTA lists goods which are, or are moving towards, being duty-free and Before he left Australia, Mr. about two-thirds of Trans-

that there could be mutual benefits in liberalising trade in manufactured goods to take advantage of New Zealand's lower labour costs and Australia's economies of scale. At industry level, however, it is not so simple as both countries fear competition.

The two Prime Ministers are expected to affirm their desire for progressive liberalisation of Malcolm Fraser said the talks Tasman trade is in fact duty. trade while emphasising that would set the direction for free. But adding to Schedule A change will need to be gradual. change will need to be gradual.

Total trade last year between of the code requires that hard and fast decisions. They cannot be added if a company in domestic goods be subjected to follow informal talks between cannot be added if a company in AS 1.2bn (£600m), the balance being in Australia's favour two At Government and bureau- to one.

Indonesia to step up refining

By Richard Cowper in Jakarta INDONESIA, the world's tenth

largest exporter of crude oil, is planning this year to embark on a major expansion of its refining capacity. Although details of the pro-jects have still to be finalised, experts say that Indonesia intends to add around 400,000 barrels a day capacity to State-owned oil refineries at Balikpapan in East Kali-mantan and Cilicap in East Java involving an investment of around \$1.6bm.

These proposals come just after Hebrides Enterprises. newly - formed Taiwanese consortium won the contract to build a longawaited extension to the central Sumatran Dumai oil refinery at a cost of some

around im barrels of oil a day, ti refines little of its own crude and much of its refinery capacity is extremely out-dated. The country's bill for refined products and lighter Middle East crude is expected to reach \$4.3bn this financial year—over 40 per cent of the country's gross oil revenues. Indonesia's economic planners now consider refinery expansion to be a matter of the utmost uregney. Financing for the new expansion, which will add capacity of 200,000 barrels a day to the Cilacap refinery and a similar amount of Balikpapan. is likely to be organised by the Indonesian Government

The Indonesian Government is expected to provide part of the capital for the Balikpapan and Cilacap expansions and seek commercial loans for the balance. A number of U.S. companies including UAP, which won the design mmact Dumai, Fluo which built the original Cilacap refinery, and Bechtel, are all expected to tender for the projects.

HAZARDS FOR THE EXPATRIATE WESTERNER

'Playing the game' in Middle East markets

ABOUT HALF the number of contacts or consultants needed Iraq has also recently become tages of knowing, apart from the cases illegal, he could salve his

free incomes break their contracts and return early, incurring, instead, expensive tax penalties. This was disclosed by Mr. Harry Brown, who was chairing a London Chamber of Commerce and Industry seminar national law which could lead entitled Hazards for the Westerner in today's Middle East and North Africa. In terms of unfulfilled career

objectives and unsatisfactorily completed contracts, he said, the failure rate" would be much higher. The cost of setting up an average company representa-tive and his family in, for instance, Riyadh, can be as high as £45.000 to £55,000 a year. Loss of goodwill, particularly when an unsuccessful pattern

East by promises of high, tax. to most Middle East business. It was through indiscreet payment of legal or otherwise accepted commissions to such contacts that some executives found themselves at odds with the Sharia — religious and

> to instant dismissal by some Islamic States.
>
> Because of the particular Because of the particular difficulties of operating in Saudi from the big infrastructure pro-ference concentrated on these toward housing and agriculture, smaller British concerns may

Life sentences meted out to two British businessmen in the past year, one on charges of attempted bribery, the other bribery and economic espionage, underscored the advice offered

Buttons lured to the Middle for the introductions so crucial more accessible. British commost elementary Arabic, what conscience with the knowledge East by promises of high, tax- to most Middle East business. panies returned from the not to say. Baghdad Trade Fair last October on UK contracts only three

> find the prospects more tempting but, as Mr. Brown, who is a director of Expatriate Financial Advisers, warned: "If you don't want to play the game their way, don't play on their pitch." With cultural differences so mean he was a saint. A "consult- made such virtues as patience.

charging interest and will take patriot. months before and the orders part of their losses as readily A Rio Tinto representative followed a concerted effort to as they will part of their profits. claiced that some Middle restore a previously fruitful Major Butler said that in Eastern dealings which appeared As Saudi Arabia moves away from the big infrastructure projects of the last few years toward have an and continuous and continuous and continuous areas and continuous and

too enthusiastic a welcome. of representation is repeated, to delegates.

vast. Major Bernard Butler, a ant" provided services and tolerance, tact. determination teacher of Arabic and adviser could take fees. If the fee was and most of all a sense of UK dompanies in terms of lost the Middle East can be high. on Islam, emphasised the advanagainst the Sharia and in some humour, invaluable.

that he must also adhers to the There were, he said, advant- essential Islamic principal of with orders expected to be ages in the Sharia, among them ensuring that his family is well worth more than £25m. The banking practices whereby banks provided for. He would in any ensuring that his family is well Iraqis had lifted their embargo lend businessmen money without case be paid less than the ex-

some Arab states, up to 77 per to so alarm some delegates were not so different from those in

Mr. Gerald Brown, overseas other service needs had been director for the Merryn Hughes pre-empted by those of the group, commented that with the expatriate community. British absence of alcohol and other disbusinessmen could not expect structions Westerners tended to oo enthusiastic a welcome. become workabolics, Extra To a delegate's suggestion of pressures on executives, such as hypocrisy among Moslems who training multinational staff and took commissions, he replied the frustration of long waits for training multinational staff and that a Moslem's faith need not often unkept appointments

Peruvians preparing to elect first civilian government for 17 years

SOME 6.5m Peruvians are pre- business is picking up after a paring to go to the polls on four-year recession. May 18 to elect a President and But most Peruvians, who had

presidential race, the outcome is uncertain. No one is likely to obtain the 36 per cent of valid will include two unknown votes needed. The President quantities: \$00,000 illiterates will probably have to be elected by a congress representing so many parties that a decision will be difficult. This is worrying everybody, including the

military Government. The main candidates, who have shied away from forming pre-election coalitions, say they jungle natives living in isolated will join forces afterwards to ensure a strong civilian govern- illiterates of voting age is ment, rather than leave the estimated at 2m, but voting is door open again for the armed not compulsory for them and forces. Since the campaign many have not registered. started, however, inter-party. There are four main forces squabbling has been intense.

would rather the armed forces Revolucionaria stayed in power than have elec- (APEA). Action Popular, and itself is a centre grouping with still begrudges its losses in the tions rock the boat just as Partido Popular Cristiano no very clear ideology, apart War of the Pacific in 1879.

Congress after 12 years of military rule. The elections will be the first in 17 years, except for those held two wars and blame the armed forces for their ills, want a sovernment which will the first in 17 years, except for those held two years ago to bring more jobs, higher pay. elect a 100-strong assembly to rewrite Peru's constitution.

Voting is compulsory for all who have been given the right to vote in a general election for the first time this century, and the estimated 50,000 Peruvians living abroad.

Peru's total population is around 17m. of whom approximately a third are Andean and areas. The total number of

There are four main forces in the elections: the strongly Some businessmen say they organised Alianza Popular Americana







Three former exiles who are standing for the Presidency: Sr. Fernando Belaunde. left, Sr. Armando Villanueva, centre, and Sr. Hugo Blanco, right.

badly splintered. Sr. Armando Villanueva, 64, the exite, and seven in hiding. One APRA party leader, an aggressive one-time salesman who has stuck to APRA through its

weapon used against him by opponents is that his wife was years of persecution. APRA born in Chile, to which Peru

parties, and the left, which is from some ill-defined populism. Sr. Villanueva's closest com- draws crowds both in rural Sr. Villanueva boasts of petitor in the opinion polls is areas and in Lima's shanty Leading the opinion polls is seven years in prison, seven in Sr. Fernando Belaunde, 67. He towns. is an architect who was elected President in 1963 as head of the Accion Popular, but was ousted in 1963 by the armed forces. Considered an idealist—he exile and prison.

and the second of the second o

Belaunde still Third in line is Sr. Luis which came to power in 1968.

Bedoya. 61. mayor of Lima Despite rumblings from some rice and sugar-growing areas. Popular Christiano's strategy is private property and individual ago. initiative, and attracts much of the middle-class vote,

The biggest vote-getter among the radical left, although he 45. the Trotskyite ex-guerrilla whose burly bearded figure

Sr. Blanco urges replacing the armed forces with a people's militia, as well as non-payment of Peru's SSbn foreign debt. He has also spent some 15 years in

crowds to his rallies. He is offer- nections, Sr. Horacio Zeballos, ing to create a million jobs in 46, leader of the strong Maoisthis first year of presidency and oriented Teachers' Union, and to provide food stamps for the two retired generals who were very poor. His stance is also powerful in the radical Governsomewhat ill-defined politically. ment of Gen. Juan Velasco,

during Sr. Belaunde's regime, army sectors, which have Sr. Bedoya is generally con-apparently discussed calling off sidered right-wing, although he the elections, Gen. Francisco claims not to be. His Partido Morales Bermudez's military Government has stuck to the based on a firm defence of schedule it set itself three years

The constituent assembly was elected in June, 1978; presidential elections were proclaimed in 1979; and most presidential trails the main candidates in and congressional candidates the polls, is Sr. Hugo Blanco, were registered by the February were registered by the February 28 deadline.

The Government has also re-ordered the finances of the country, near bankruptcy (wo years ago. Export revenues are soaring-largely because of high prices for metals-leading to a \$1.4bn trade surplus last

Peru has also pre-paid some of its debt, and by and large ing-when it takes power on earned his living in exile in the The remaining candidates in has complied with targets the July 28.

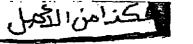
U.S. as a college professor-Sr. clude Sr. Genaro Ledesma, 48. International Monetary Fund draws large a lawyer with strong union con- set when it gave Peru a stand-by credit in 1978.

The cost of that was severe recession, and the Government has yet to curb inflation or reduce unemployment, intensified this year by drought in the

The cross national product has grown, however, mainly because of more investment in mining and fish canning. Sr. Javier Silva Ruete, the Economy Minister, is talking of 6 per cent growth this year, up from 4 per cent in 1979. Only a couple of years ago, GNP was contracting.

In the military Government's remaining five months, it is reinstating some of the price controls lifted a few years aco. It has also launched a \$15m programme to promote labour-

intensive work. Politicians say this is unlikely to have much immediate impact, but may help the incoming Government of whichever political group-



In the field of two-litre cars, the Vauxhall Carlton is something of a rarity.

Because it's one of the few cars designed exclusively for a two-litre engine, right from the word go.

Consequently, you can't have one with a smaller engine, even should you wish.

Nor, indeed, can you have one with an inferior standard of luxury.

The list of options is surprisingly modest, because almost everything you could wish for is already present.

LUXURIOUS, BUT RESTRAINED.

The Carlton successfully avoids the baroque flourishes that creep into many of the so-called luxury cars.

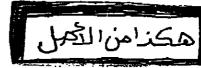
The seats are covered entirely in a rich velour cloth, but have just the right degree of firmness.

Adjustable head restraints are standard at the front, while a central armrest is included at the rear.

You can even adjust the driver's seat for height, as well as for reach and rake.

And, naturally, there's wall-to-wall cut pile carpeting. (It even has separate underlay.)

Then there are numerous small but practical touches that make the car a pleasure both to drive and be driven in.



A push button radio. A comprehensive (but thankfully uncomplicated) heating and ventilation system with a four-speed fan.

Two-speed wipers with that vital intermittent wipe. Electric screen washer. Cigar lighter. Quartz clock.

GOOD LOOKS, BUT WITH GOOD REASON.

The steeply raked front end makes the Carlton one of the most distinctive designs on the road.

But there are better reasons for the way it looks than its ability to turn heads.

Aerodynamically, the Carlton slips through the air with a minimum of fuss and, consequently, with minimal wind noise.

An achievement that's also reflected in the car's fuel economy: even driven at a steady 75 mph, it returns a creditable 30.7 mpg.

If, on the other hand, you choose to throw caution to the wind, the Carlton will accelerate from rest to 60 mph in as little as 11.2 seconds.

And go on accelerating to a highly illegal top speed of 107 mph.

Ask your nearest Vauxhall dealer to arrange a test drive for you. VAUXHALL

If you've been looking **CARLTON** for a true two-litre car, he'll be glad to prove to you that your search is over.

As you might gather from the name, the car is roomy comfortable and rather stylish.

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eision,

di meda

ears

BY LYNTON MCLAIN

FRANCE overtook Britain in the world league of shipbuilding nations for merchant tonnage

completed last year.

Britain feli from third to fourth place in Lloyd's Register of Shipping annual table, published today. France, which was not even in the top 10 in 1278, now ranks third.

The change reflects its success in marketing its specialised capabilities in liquefied gas and chemical carriers. France built seven of these last year and is second in the world after Japan. Britain built none.

British Shipbuilders last delivered a liquefied gas carrier in 1978, from the Robb Caledon yard at Dundee. But the state corporation said last night it was making efforts to claim a share of the world market. Last year 82 of these vessels totalling 1.1m tons gross were delivered. The U.S. was also more successful than Britain, building five liquefied gas and chemical carriers with a total of 387.659 tons gross.

This contributed to the U.S. rise from fourth to second place in the shipbuilding league.

Japan was again the most successful shipbuilder with a third of the world market. It built 49 liquefied gas and chemi-

"STEEL SUPPLIES are the

least of my problems. I am much more concerned about

winning work to process the

steel, which I can obtain fairly

easily," the director of a small

engineering plant in the north-

This, perhaps, was an extreme, but by no means isolated,

reaction in a survey carried out

by the Financial Times into the effects of the steel strike on the

British engineering industry. A

very large cross section of the industry has apparently entered

the 12th week of the strike with

little loss of production, relatively few lay-offs of labour and

little short-time working attri-butable to the dispue, and wih either a reasonable level of steel

stocks for some time ahead or

confidence to obtain supplies when needed.

butory factors to the present "carry one" state of the engineering industry: wide-

spread stocking and ordering of

steel from domestic private and

FINANCIAL TIMES REPORTER

BRITISH STEEL took the

Press conference to deny a

report that some of its top

staff were demanding pay rises of more than £250 a

Clearly embarrassed at the

impact such a report could have on efforts to end the

strike, Mr. Bob Scholey, chief

executive, said steel chiefs

were not demanding pay rises

and had no power to do so.

Last November, the Government's Top Salaries Review Body (TSRB), covering

senior public sector pay levels, had asked every nationalised industry, includ-

ing the British Steel Corpora-

tion, if they wanted to make any views known before the

body proposed to the Govern-ment that salaries be updated.

BSC had agreed in principle

to the proposal, but did not

Under the next increment

overseas producers by major by customers because of the users and stockholders before strike.

Corporation denies big

board pay demands

These are the major contri-

east, said this week.

			-
MERC	HANT SHIP COME	PLEȚIONS (tons gr	oss) Percentage & world total 1979
חגקו	4.696.996	6,307,155	32,87
1.5.	1,352,370	1,033,142	9,46
rance	719,863	439,940	5.04
ΙK	691,404	1,133,331	4.84
razil	465,442	441,821	4.66
pain	630,199	821,111	4.41
Korea	495,219	604,286	3.47
oland	467,902	762,182	3.23
weden	459,644	1,407,017	3.22
/. Germany	437,286	844,530	3.06
Germany	381, 3 20	409,727	2.67
orway	364.073	325,484	2.55

433.375

14,289,369

528,084

18,194,120

Despite continued market tenth of the UK tonnage. The buoyancy for these special tonnage completed fell by more than 21 per cent to 14.3m tons ling 209.454 tons gross com-

World total

However, Britain completed completions slowed compared 26 general cargo vessels, total- with 1978, when finished ling 209,454 tons gross commerchant ships dropped by a pared with France's two at a third compared with 1977.

the beginning of the strike; the

resourcefulness of the stock-

the start of the strike; self-help

and "swapping" arrangements

by steel users; and an appar-

rently widespread downturn in

There are, of course, excep-tions, Metal Box is a notable

case: with its large dependence on the British Steel Corporation for timplate, it has had to lay-off

nearly half its 15,000-strong

production force. And yester-day, Mr. Kenneth Carlilse, the

MP for Lincoln, asked Mr. Bill

Sirs for dispensation for a local firm. Robeys, which has put

time, to collect steel supplies. But more general have been

more than 100 workers on short

the reports from many regions

that, where short-time or lay-

being considered, the main

reason has been a down-turn in

new business. Most steel users

attribute this to the effects of a

general recession rather than to

lack of confidence in delivery

due on April 1, Mr. Scholey's

salary will rise from £33,000 to £37,000 and an ordinary

BSC board member's salary

will rise from £27,000 to

The salary of Sir Charles Villiers, BSC chairman, will rise to £48,000. Mr. Bill Sirs, general secre-

tary of the tron and Steel

Trades Confederation, said last night he believed the

report, in yesterday's Daily

Mirror, to be correct. His

belief was based on a "source of information in Whitehali."

Mr. Sandy Feather, a national officer of the union,

said the ISTC believed the

submission had been made by Mr. Frank Holloway, BSC's

behalf of Mr. Bob Scholey, chief executive. However, the

BSC denied last ulght that

Mr. Holloway had made any

new work for engineers.

holders in delivering steel after small, preferred to be anony-

that where short-time or lay- everywhere has taken the offs have taken place or are pressure off."

machine

expressed

stoppage.

effects of

Britain also built five bulk carriers, compared with three gross—the lowest for 13 years. in the U.S. and none in France.

Engineering industry in a 'carry on' state

companies contacted, large and

president of the Machine Tool

Trades Association, feared that

not affecting the machine tools industry." The industry relied upon special steels but stocks

had been high before the strike

and "there is a lot of imported steel about." Moreover, he

added, "the downturn in orders

Elsewhere, one very large group, some of whose companies supply forgings and pressings

to the motor industry, has had

to put about one-third of its 10,000-strong workforce in this

sector on short-time: but there

have been very few lav-offs. The companies involved have had

some cases, according to the availability of certain steels, but

on a "week-to-week" basis. Another large company pro

ducing storage and materials

handling equipment has had no

problems about scarcity of work.

Its plant is on three-shifts with

overtime, and recently has had

to do away with week-end work-

ing to ease the pressure on steel

stocks. This plant needs cer-

tain steel specifications-"We

can't just go around stock-holders and get job lots "--but

it placed large orders overseas

before the start of the strike and has bee nsuccessful in ob-

taining dispensation from the

unions for the release of a certain amount of steel con-

Manufactures of diesel engines also seem to have over-

Two large organisations say that their finished and semi-

finished component suppliers

who, in turn, are heavily de-pendent on stockholders, so far

have met their requirements.

Both companies have relied on Silkstone Colliery, where he multi-sources in the past for their components. This policy has proved successful. There

has been no loss of production earlier losses into profits-

ome most of their problems.

signments through the ports.

in February, the tools industry concern over the

a protracted steel Mr. John Halbert,

U.S. built one general cargo

But the rate of decline in The upward revision was con- sales

The majority of engineering in either case, nor any lay-offs

two months of the strike could tors one maker of rolling mills affect delivery dates seriously reports having stork problems

But yesterday, over six as it is not a big user of ray, weeks later, Mr. Halbert said: steel and depends on a number "At the moment the strike is of sources for supplies. It is

Revised figures give evidence of minor investment boom

industry in 1979 has provided ing. ment boom last year, particularly in the services sector.

At the same time, the Department of Industry has revised downwards its estimate of the fall in manufacturers' stocks at the end of lest year. Industry's finalised goods stocks are still quite high, but com-panies have started to trim stocks of materials and fuel, in preparation for the expected recession, earlier than had been thought.

distributive and service industries (excluding shipping) rose for cent from 1978 to £9.04bn at constant 1975 prices. This account is £100m more than the £80m.

A large manufacturer of food

processing machinery, with

about 5,500 employees, says that

shortages of special steels have

affected some production, but not its main product lines. Stocks are sufficient for another

In the heavy engineering sec-

reports having stock problems

still working normally and has no plans for redundancies or

One or two companies have

nroblems, but we order on a

long-term basis, particularly for

says. Again, this group is

problems. But it points out

that it uses mainly special

BY MAURICE SAMUELSON

the August 1 completion dead-

line for a regional development

grapt, according to Sir John

Greenborough, president of the

Confederation of British Indus-

Ezra, chairman of the National Coal Board, said yesterday

during a visit to Newmarket

One large group comprising directly up to 70 companies in the UK strike.

dependent on stock-

large order book, it reports no from the saimmediate or insurmountable "Obviously the ste

month at least.

short-time working.

A LARGE upward revision of centrated on the figures for AN ALL-BRITISH group of civil figures for capital spending by second and third quarter spend | engineering contractors joined figures for capital spending by second and third quarter spend-

Capital spending by manu-facturing industry last year was £3,54bn, a slight fall from the 1978 figure of £3.85bn, and yesterday's figures confirmed that fourth quarter investment in this sector fell by a seasonally adjusted 34 per cent from the

previous three months. The figures show that manufacturers' stocks fell by £90m, seasonally adjusted, in the fourth quarter, £50m more than was earlier estimated.

This was the first fall in The, department now esti- manufacturers' stocks since the mates that capital spending second quarter of 1976, and was last year by the manufacturing. due largely to a drop in stocks

iotal is £100m more than the figure issued last month, when the rise over 1978 was estimated at only 4 per cent.

The resistant during the fourth quarter, unchanged from the previous estimate. The large built affects the buoyant distributive amount of unsold goods built and services sector, where in- up at retailing companies last vestment is now given as year spurred many of them to 25.20bn, 10 per cent more than make more strenuous efforts 1978, against the earlier than normal to boost turnover estimate of 8 per cent growth, during extended New Year

Most of the "big name" engi-

neering companies obviously rely heavily on sub-contractors:

and, just as obviously, many

stockholders have been largely successful so far in keeping the

engineering

The Engineering Industries

Association has about 4,600

members, many of them small

plants employing 60 workers or

the association reported that

directly resulted from the strike. There have been few

lay-offs and little short-time

The London Chamber of Com-

merce and Industry conducted

found plants reported only two

or three weeks stocks in hand.

"Obviously the steel is getting throug," said the chamber,

general shortage of steel.

But Sir John now says there

H ecites a £1m factory exten-

sion in Sheffield which will pro-

months have kept the pit's name

area's production league. Output

per man-shift at the mine regu-

larly exceeds 17 tonnes-almost

is a shortage of particular steel

Regional secretaries of

if any, closures have

supplied.

working.

special steels, and generally a survey of engineering plants speaking the strike has had no immediate effect." the group fairly early on in the strike and fairly early on in the strike and

holders.

One company willing to be named is Rolls-Royce. With a much the same reply on stocks

Threat to industry grants

SHORTAGE OF steel parts may down by the Government on stop industrial projects meeting the grounds that there was no

In a letter to Sir Keith Joseph, vide 30 to 40 new jobs, but

Industry Secretary, he repeats which would lose its 20 per a call to extend the deadline, cent grant unless it is finished

This has already been turned by August 1.

Coal industry breaking even

Bid for Chunnel contract

BY LYNTON MCLAIN

the bidding for a Channel

Sir Robert McAlpine and Sons, the lead company, has joined forces with Mowlem and Co., French Kier company has a significant Construction and Thyssen Thistle Field stake. Mowlem and Co., French Kier (Great Britain), and is standing ready in case a tunnel is given the go-ahead by the Govern-

The Government is now considering a range of proposals for tunnels, including the BR/ French Rail scheme for a singletrack tunnel costing £860m (at

1980 prices)
The initial relationship of the companies is in the form of a joint venture. But Sir Robert McAlpine and Sons said a joint company might be formed later; if a go-ahead appears likely.

Joint venture

The group would be in direct competition with the European Channel Tunnel Group of British, French, Dutch and German civil engineering com-panies which launched its proposals for tunnels costing between £540m and £3.25bn on Wednesday. Costain Civil Engineering is the British partner.

Sir Robert McAlpine and Sons has bored a number of tunnels, including cable tunnels under the River Severn for the Post Office, a tunnel at St. Maximin, France, and part of the Victoria Line underground tunnel in London.

sub-contractors are too small to have sources other than steel 'Straightforward'

stockholders. Apparently, the ! The work of digging the Chan-nel tunnel would not be difficult. Sir Robert McAlpine and Sons said it was a "straightforward civil engineering job."

• The announcement came after Mr. Norman Fowler, Transport Minister, told MPs no public money would be used to support a Channel bridge or tunnel. Nevertheless, he did not rule out Government support for such a scheme and said: "providing we get the right scheme a Channel tunnel would be the sensible way of meeting traffic growth on the Channel.

£5m plan for zip factories

A £5M MODERNISATION proday by Lightning Fasteners, a subsidiary of Imperial Metal Industries.

The company is to build a purpose-built zi pproduction factory in Peterlee, Co. Durham. to replace existing plant in the town and an existing factory in Cleator Moor, Cumbria, is to be re-equipped.

completed during 1981, should create more than 100 new jobs, sai dthe company. Lightning Fasteners said that

without the active co-operation of Peterlee Development Corporation and the "considerable financial assistance" given by the Industry Department and the European Coal and Steel Community, the project would not have been

undertaken. Last July Lightning Fasteners announced plans to phase out zip manufacture at Witton, Birmingham over a period of at least 18 months. Zip manu-facture, it said, was to be con-centrated at Peterlee and Cleator Moor.

Tricentrol plans expansion in North America

BY RAY DAFTER, ENERGY EDITOR

TRICENTROL, the UK-based oil most of them; in Canada -a and commercial group, plans a major expansion of its North American oil and gas activities. The move could lead to production emphasis being switched John from the North Sea, where the

Mr. James Longcroft, chairman and chief executive, said yesterday the group would con-centrate exploration and production in three main areas: North America, the UK Conti-nental Shelf and in the much longer term, China.

It would also expand its nonenergy business.

Tricentro' has 9.6 per cent in Thistle—worth £182m in future cash flow before Corporation Tax—and hopes to be awarded new exploration blocks in the perfect of the country next round of North Sea-licences. But it feels there are greater, more immediate opportunities for developing oil and gas fields in the U.S. and Canada.

offered to the North American public. It is expected this will raise about £30m. The group stock exchanges.

reserves in North America- costs."

estimated at 7.3m barrels in has 4.0m barrels of "probable" reserves-off likely to be recovered in due course.

Tricentrol expects to recover 38.7m barrels from its share of the remaining Thistie reserves. The group reported pre-tax profits of £21.3m in 1979, a 165 per cent increase over 1978. Turnover was £209m (£142m in

company said it had acquired for £6m the hardware interests of R and G Cuthbert from Kema Nobel (UK), the whollyowned subsidiary of the Swedish RemaNobel chemical and con-sumer products company. This will strengthen Tricentrol's

activities to hardware and garden supplies. It had agreed to pay 12m for Stevens Travel, said by Mr. Longeroft to be Europe's largest motor caravan hire operation. The business, in Middlesex, will be associated with Tricentrol's coach and travel interests.

energy expansion would be in three main fronts: vehicle distribution; wholesaling, wareis also expected to seek listings housing and distribution of on the Toronto and New York hardware and equipment for the home and garden, and design, It hopes to be able to bid for manufacture, wholesaling and at least one independent oil and distribution of "products likely gas company later this year.

Tricentrol's proven oil of increasingly high energy

Construction orders down in January

BY MICHAEL CASSELL

ORDERS for new construction orders in public-sector housing work continued to run at "dis- in the latest quarter under appointing" levels in January, review were 11 per cent down say provisional figures from the Department of the Environ-The Department estimates

that value of orders placed with contractors in the first month of 1980 reached £776m at current prices, against £685m in December. In constant price terms value of orders compared with December showed a drop of nearly £50m. More significantly, value of work won in the three months to the end of January showed a 5 per cent fall from the price terms. They were 3 per

cent less than a year carlier. Private housing contracts were, by value, 18 per cent

lower than in August-October 1979, but 2 per cent higher than in November-January a year before. Public works orders in the latest quarter were 5 per cent down on the preceding three months and 15 per cent less

than a year ago. Private industrial

were down 17 per cent on the previous quarter in constant previous quarter, and 12 per cent better than in the same commercial orders were up by The Department said that new 32 and 14 per cent respectively.

Competition urged in sale of Channel 4 advertising

period 12 months before

The Incorporated Society of British Advertisers has called on the Government to allow competition in advertising sales between the new commercial TV channel and the existing ITV channel.

Under the arrangements envisaged in the Broadcasting Bill, now going through Parliament, the sale of advertising for the fourth channel would be handled by the ITV companies. The Society which represents the 600 companies who provide 75 per cent of television advertising, deplores the extension of the ITV monopoly.

Mr. Kenneth Miles, society director, said yesterday: "The

a blind spot on this particular issue, and industry is extremely worried about it.

initially be able to pay for itself, so that the costs of running the service must be pul up the ITV companies. By contrast, the society calculates that the new channel could

The Government expects that

be viable almost imediately. It Channel 4 airtame should be the responsibility of independent regional agents, who would not have seats on the Channel 4 board, and would therefore have to influence on programme

Mr. Kenneth Miles, society content.

director, said yesterday: "The Government is calling for a tougher and more competitive on ITV was just over £85m. approach from industry as a 50 per cent higher than in whole, but there seems to be January and February last year.

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Contact: W. S. Holley, General Manager, WASHINGTON DEVELOPMENT CORPORATION, Usworth Hall, Washington, Tyne & Wear. Tel: Washington (0632) 463591. Telex: 537210 DC WASH G or ring our London Office: The North East New Towns, Tel: 01-488-2400.

longer before we in Britain join the 3rd World?

Fifteen years ago, Britain was a leading producer of motor cars, motor cycles, domestic appliances, televisions, radios, hi-fi's.

Manufacture of many of these has slowed to a trickle. And in some cases has stopped altogether.

Czechoslovakia and Spain have now overtaken us in production per head.

Why are we falling behind?

Because heavily automated businesses overseas are producing better value products.

But there is something that can

But there is be done. Out of Britain's top 25 profit makers, 22

are already using IBM as their primary source for automated business systems.

rarkéis

It is precisely because IBM believes in the future of Britain, that we have invested £136 million here last year alone.

To bring businesses of every size the automated systems they need. To expedite office work. Control costs. And increase productivity.

The results, in today's competitive times, could make a world of difference.



Changes needed in clothing industry

its profits, and pay better wages if it used better manufacturing methods and systems, claims a report by the Clothing Industry Productivity Resources Agency—CIPRA.

The report highlights a in 22 companies covered in a survey. These include exces-sive employment of indirect staff, poorly designed ware systems and ineffective quality

company neluced in the survey, for purposes of comparison, was able of complete in export markets including Britain in spite of paying wages twice as high as the UK average. Motivaemployees was also found to be

The survey by the Leeds-ased Government funded agency was carried out in companies in the women's and inertia, and it suggests that ness and motivation of staff at

ployment for nearly 100,000 people. The sector has also performed better than many other parts of the industry with employment falling by only 5 per cent between 1970-78, compared with an industry average of 15 per cent.

More complex

companies employ too many support workers—in relation to manufacturing workers—an average ratio of 58 to every 100. compared with 29 per 100 in the West German company. Significantly, too, the bigger the factory the greater was use ratio of indirect to direct staff.

The report says a larger factory breeds a more complex structure which requires the efforts of relatively more people to overcome its organisational

SCHLUMBERGER LIMITED

been circulated to Shareholders with the Annual Report for 1979.

The closing year of the seventies was a record year. Net income of \$658 million was up 31%. The last quarter of the year was

figures do not call for comments, they tell a

simple story. All business segments of

Schlumberger had record earnings built on

same pattern of expansion in all parts of the

voild, in all services. After a slow start, the

United States was very strong in the second

half of the year. All the other units of Schlumberger pulled their own weight: Sangamo Weston and Fairchild in North America. Measurement & Control in Europe

In this past decade, revenue grew by a factor of 6 and net income per share by a factor of 12. Success is the child of luck and hard work. We had both.

Two factors had a major impact on our development. The price of crude oil increased tenfold, from \$2.80 a barrel to roughly \$28

while the price of a semiconductor memory

tumbled 25 times, from 1 cent to 0.04 cents. The oil price increase changed dramatically

the energy situation of the world, spurring the

search for hydrocarbons to an intensity here-

tofore unknown and stimulating the quest for

new energy sources. Maybe more important are the ultimate consequences of this new age

of artificial intelligence, as the scientists call it. Coal and oil brought about the industrial

revolution because they provided abundant and cheap physical power. Microprocessors and memory will bring about a new revolution

because they will provide abundant and cheap

What does this mean for the decade abead

The first consequence is under way. We

are at the dawn of a new era in the search for

oil. New era by its geographical spread, new

era by the enormous amounts invested, new

era by the technical developments which are

bound to follow the intensity and magnitude

have taught me a simple conviction. If you want to find oil, you have to look for it, if you look, you find oil. The world bas now

understood that it cannot live forever on Middle East oil, the search has started and

will belong to the twenty-first century. Mean-while the additional energy required will have to come from electricity. And yet it does not make sense to make electricity with oil. Coal-

and nuclear energy must be the answer.

SUMBLARY OF OPERATIONS

Interest and other income

Oilfield Services .

Oilfield Services

The economic value of new energy sources

As to the artificial intelligence, we have

hardly begun to understand what this abundant and cheap intellectual power will do to our lives. It has already started to change

lives. It has already started to change physically the research laboratories and the manufacturing plants. It is difficult for the

mind to grasp the ultimate consequences for

Measurement, Control & Components

% Increase over prior year

Cost of goods sold and services

of this effort. Thirty years in the oil in

had excellent results.

intellectual power.

of us, for the eighties?

the finds are coming in.

man and society.

higher sales. Oilfield activity continued the

up 31%. The last quarter of the yea very strong: net income was up 42%.

The following is the Statement of the Chairman and President, MR. J. RIBOUD, which has

BRITAIN'S clothing industry children's light outerwear sector factories of between 100 and 200 all levels.

CIPRA is particularly impressed with the decentralisation profits, and pay better than £800m and provided em-

Other improvements could be achieved by UK companies a possible 10 per cent saving overall-and better organisation of sewing rooms. Produc-tivity increases of up to 100 per cent were possible in some of the companies visited—the

average was 40 per cent. CIPRA says, however, that companies were generally not ompanies employ too many using the right mix of basic payment and bonuses to achieve maximum levels of output. The payment system also often encouraged the passing of substandard work.

The German factory included in the survey was run on substantially different lines from its British counterparts and its results are described as remarkable, exceeding any thing found in the UK group of companies in terms of effective-

What does this mean for the future of

We are in the right business; luck or not, we are. I cannot imagine for the eighties fields of activity with greater growth potential

than the ones we are in: the technical services

for the exploration and production of hydro-carbons, the technical products tied to the

distribution of electrical power, the advanced products of the semiconductor industry.

We have our hands full. If we are to be ready to face the growth ahead, if we are to

have the number and the quality of field

service engineers, if we are to remain creative in research and engineering, if we are to

invent the products of the future, if we are

to regain in the semiconductor industry a

position of innovation and leadership, our

nands are full. We will need all our resources,

We have to be prudent. The potential for growth is so obvious that one could forget that

growth is never a straight line into the future

hut a pattern of cycles. This has been true in the past and will be true whether it is for off-

shore semisubmersibles at fifty million dollars a

unit or for electronic chips at fifty cents apiece.

world of tomorrow, to the politics of tomorrow. to the youth of tomorrow, to the technical changes of tomorrow. We cannot become an

We have to work harder. Success can breed complacency and this is the end of

-Expenditures for fixed asset additions were

8503 million compared to 8393 million in

with the new cyber service unit is on

tion, \$11 million were invested in computing facilities for the wireline. For Fairchild

alone, in the six-month period since acquisi

-Research & Engineering expenses were

increased in all units. Oilfield service R&E alone was increased 29% to 864 million. A

major expansion of the wireline central research laboratory in Ridgefield. Connecticut

—We have recruited 1.017 oilfield graduate engineers in 1979, from 51 nationalities. In

On February 21, 1980 the Board of Directors declared a quarterly dividend of 33 cents per share on outstanding common

YEAR ENDED DECEMBER 31.

\$2,206

20%

\$1,231

This increases the annual rate from

\$1,005 805

\$1,840

16%

\$1,071

30

1975(B)

721 22

81,588

30%

S950

\$299

8361

41%

824

8125

\$219

49%

14%

8222

S99

126

\$457

LONDON

HallHouse

1 Little New Street

London EC4A STR

Telephone: 01-358 S111 Tetex: 384739 TRUNDNIG

64 (2)

addition, for laboratories and plants we

Oilfield services investments were

invested as fast as we could.

tion we invested \$45 million.

has just been completed.

recruited 891 engineers.

\$1.10 to \$1.32 per share.

983

52,684

22%

\$1,499

To prepare this future, we have in 1979

We have to be adaptable. Adaptable to the

human and financial.

tion practised by the German company. The system gives the individual factory manager responsibility for rejecting or accepting for manufacture particular fashion lines and holds him accountable for quality. costs and delivery, with a significant element of payment by results in his salary.

By contract

Within the factory, line super-visors reach a contract with the manager to produce a certain value of merchandise daily, and each individual operator in turn agrees to complete a certain number of operations at a price set by the supervisor. Work continues until the agreed quantity is completed.

Machinists in the German factory, according to CIPRA, Centre, Leeds, L maintained their best workpace plus £1 p. and p.

for 65 per cent of the working day, a figure close to the optimum.

The report notes: "All staff employed were fairly near to being their own bosses, all effectively making their own contracts for price, quantity and delivery. As a result morale seemed to be high, and there seemed to be a more serious estimate to be a more serious attitude to getting on with the job than is found in many British companies."

All 22 UK companies surveyed in the report have now been given their own confiden reports highlighting areas weakness where changes could be made. Mr. Martin Frankel, chief executive of the agency, said yesterday it was hoped publication of the report would lead to action by many

Productivity Survey. CIPRA. Sovereign House, Seacroft Centre, Leeds, LS14 6NT. £10

Talks on N. Ireland may be adjourned

BY STEWART DALBY

THE CONSTITUTIONAL conference on Northern Ireland of those going on since January which aimed to explore ways in are pointless in view of Mr. which aimed to explore ways in which more political power at a local level could be restored to the province, is now likely to be indefinitely adiourned

Monday. There was to have been a final day of talks on March 31. However, this has been brought forward, apparently at the insistence of the Social Demo-cratic and Labour Party, the main Catholic representatives.

The party feels talks have reached the end of their useful life following the refusal by Mr. Ian Paisley, the main Unionist delegate, to countenance powersharing with the Roman Catholic minority.

The minimum demand of wanted to see whether local SDLP leader, Mr. John Hume, is power-sharing. He feels that way of government themselves.

any further talks along the lines Paisley's stance.

Now, the idea is that Mr. Humphrey Atkins, conference chairman will report to the Cabinet before Easter on what he considers the maximum level of agreement possible between the three political parties attending the talks.

There may then be proposals for further talks in the summer, possibly based on a White Mr. Atkins says he did not

expect instant solutions from the talks to bridge the gap between his all-powerful role and the virtually powerless 26 product into an asset. district councils.

Courtaulds defends cost of Londonderry plant

COURTAULDS HAS replied to expected when the factory was criticism at Westminster about planned seven years ago. the cost to the taxpayer of its integrated textile plant near and gradually built up to a Londonderry in Northern labour force of 900. About Londonderry in Northern labour force of 900.

tioned the Northern Ireland Department of Commerce about \$405 million. The plan to equip the field spending £14.4m in grants on the basis of a projected labour schedule: in 1979, a total of 235 new CSU force of 1,500. logging units was put in service. In addi-Just over 800 staff are now employed but Dr. Vera Furness,

general manager of the plant, said vesterday part of the ex-planation was that depressed market conditions had affected

She added that the industry criticised his department be-bad also been able to operate cause the cost per job had risen with fewer staff than had been from £9.500 to £28,000.

The factory opened in 1976 three months ago the slump in MPs on the public accounts textiles meant nearly 100 committee on Wednesday quesand this was followed by a period of short-time working. Mr. Frank Mais, Permanent Secretary of the Northern Ireland Department of Commerce. Courtaulds had not misled the

> jobs would be created. If the project was successful and the market picked up, the 1,500 jobs could still materialise. MPs on the committee had

department over how many

GKN to make component for new BL car

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

The joints are key compo-on suitable joints to be made in nents in the transmission of Britain Prototypes are already power from the engine to the vheels of front-wheel-drive cars.

together with its licensees, provides 95 per cent of the joints produced in the world.

the joints manufactured under licence by NTN in Japan. The

GKN IS TO supply constant Europe, except as part of built-velocity joints from Britain for the Bounty, the car BL is to make from a Honda design.

GKN has been working with BL GKN has been working with BL on suitable joints to be made in

under test. The Bounty is due to be GKN reckons that it directly launched in the UK in mid-1981, supplies 34 per cent and, and production should be at the rate of about 80,000 a year.

As production builds up, it The Japanese version of the joint BL-Honda car will have protect its quality image—and GKN seems likely to arrive at terms of the licence prohibit some accommodation with BL the export of NTN joints to on this point.

Pressed Steel to **shed 450** more jobs

FINANCIAL TIMES REPORTER

PRESSED STEEL-FISHER will cut a further 450 jobs at its car body plant at Swindon. Wilts., this year as part of BL's overall plan to axe 25,000 jobs. Already this year about 200 jobs have been lost at the Swindon plant. Falling sales and production volume at assembly plants throughout BL Cars are blamed for the latest round of redundancies.

The first batch will be imple-

mented before the summer shutdown in mid-July, when 200 jobs will go. About 250 more will be shed between August and the New Year. The plants put forward

year. The plants put lowed by the company are still being discussed by the unions and workforce. Most redundancies will be in the Triumph TR-7 and Rover sub-assembly lines and in press shops.

Pressed Steel said yesterday:
"We are reacting to the volume changes in car production at the BL Cars assembly factories. There is a need to streamline

Colliery waste gas to heat Michelin plant

WASTE GAS from a North Staffordshire colliery is to be piped to the Michelin tyre factory at Stoke on Trent in a scheme to cut its fuel bill. The change-over from natural gas will take place next week, watched by senior National Coal Board officials. The Coal Board said that it would turn a waste

Colliery gas will be used for neating and production equip-ment, and a company official explained: "The simple fact is that local mine gas costs less North Sea gas, and it should mean a considerable the federation unlawfully dethe ITF as back pay for the saving for us over a period." the federation unlawfully dethe ITF as back pay for the manded \$6,480 (£2,959) for its vessel's crew.

Stock Exchange extends Talisman to South Africa

BY CHRISTINE MOIR

THE STOCK Exchange is to include South African securities. It is establishing a central stock pooling company in pooling company in Australian oil stocks. Johannesburg.

Permission for the office, given by the Stock Exchange Council this week.
It has been warmly received

by the leading Johannesburg registrars, Consolidated Share Registrars.

deliver stock in Johannesburg through a subsidiary of Sepon, the pooling system in the UK, and central to Talisman.

Stock transfer will be by facsimile transmission and should take 24 hours. At preseven days. Belaunde still draws large

The Stock Exchange's settlement committee hopes to begin planning a similar extension to include transactions on Austraian stocks later this year.

the operations and become more competitive." Settlement systems in Australia differ from State to State, and the Sydney and Melbourne stock exchanges are only now in the early days of planning a computerised system already nicknamed CENSAS — Centralised Scrip and Accounting

But the plans have come too late to alleviate the concestion ised settlement system, to in stockbrokers' administration offices caused by the booms in South African gold shares and

At present foreign securities -mainly South African, Austrashould be fully opera- lian and those from Hong Kong tional by late summer, was and the Far East-are excluded from Talisman. Normally, transactions account for only from Talisman. about 5 per cent of total stock market turnover.
In recent weeks their turnover

has boomed. It has also coin-The extension will mean cided with transition to a single brokers will be able to take or Talisman system and with drawal of the duel running of its semi-computerised predecessor, Bargain Accounting. Since January transactions in

foreign securities have reverted to the old manual ticket passing sent. the physical transfer of able strain on the settlement stock by airmail takes at least offices of leading specialists

Clients are naturally reluent tant to pay their bills befolde receipt of stock and the backi the have strained some firms' fighther cial resources.

With more normal traceek's This is likely to take much in gold shares and oil stehout longer to become operational, the backlogs are dwindling?s to the financial problems almeatre

less acute. If any The Stock Exchange said yesterday the new Talisman extensions should make for much speedier settlement and, therefore, less strain on members' cash flow by the next

Tanker claim judgment reserved

The company-part of the shipping group headed by Mr. Daniel K. Ludwig—alleged that

JUDGMENT was reserved yes- welfare fund as part of the price terday in the High Court action for releasing the company's by Universe Tankships, of 269,000-ton: tanker Universe Moravia, against the International Transport Workers Pembroke Docks in July, 1978.

The company also claimed it was entitled to recover part of the \$71,000 (£32,420) it paid

Money supply rises £529m in five-week period

BY OUR ECONOMICS CORRESPONDENT

STERLING M3, the broadly defined money supply, rose by £529m, or 0.9 per cent, in the five weeks to February 20, on the basis of existing seasonal adjustment. But the Bank of England believes that this exaggerates the underlying rise because there were large sur-renders of certificates of tax deposit during the month associated with the seasonal payment of corporation tax.

These surrenders have not been allowed for in the present seasonal adjustments; but if they are taken into account, the rise in sterling M3 was about 0.6 per cent. In the eight months since mid-June.

sterling M3 has risen at an annual rate of just over 12 per cent—about 111 per cent if allowance is made for the seasonal pattern of surrenders of these certificates. This compares with a 7 to 11 per cent target rate of

fell sharply—by 1.6 per cent after seasonal adjustment—with three-quarters of the decline occurring in the interest-bearing element.

Domestic credit expanded by £495m.

sonally adjusted, which was more than explained by a rise in bank lending since the public sector was slightly contractionary.

GROWTH OF MONETARY AGGREGATES (£171)

•	Mo	oney Stock	:Mi	Mor	iey Stock N Sterling	13	Bank k	ending*		tic credit ension
		Seasonaaly d adjusted		Unadjuste	Seasonally d adjusted	# #	U <i>m</i> adjusta.	Seasonally d adjusted	•	Saesonally ted adjusted
1979							7.7		-	
Feb. 21	-221	· 195	· 0.8	-33	507	1.0	1,125	- 1,129	378	1,048
Mar. 21	304	35	0.1	-344	-443	-0.9	. 430	733	388	-321
April 18	1,515	785	3.0	7,608	. 721	1.4	543	. 535	1,753	876
May 16	-186	39	0.7	420	729	1.4	60.77	808	505	995
June 20	404	-213	-0.8	609	601	1.2	1,0719	1,029	1,150	896
July 18	772	641	2.4	777	426	8.0	1,1/32	386	968	420
Aug. 15	-13	-3	_	282	563	1:1	1/45	673	815	1,045
Sept. 19	34	120	0.4	316	346	0.6	· 112	157	763	944
Oct. 17	1,107	921	3.4	1,209	1.066	- 20.	1,348	7,223	1,774	1,547
Nov. 21	-776	~575	-2.0	206	371	0.7	713	729	- 868	1,094
Dec. 12	607	26	0.1		258	0.5		163	410	250
1980			-				*:•.	٠	÷ .	• .
lan. 16	—783	. 2	_	206	611	1.1	2.864	1.307	482	792
Feb. 20	-836	-43 T	~1 <i>&</i>	-156	529	0.9	548	584	-310	495



Touche Ross & Co.

The firm announces that it will have moved into its London office on Monday March 24th, 1980. Effective from this date, all London locations of the firm will be centred at the new

The move also completes the integration of the Touche Ross & Co.

and Mann Judd practices in London, following the merger between the two firms in England and Wales last September.

Touche Ross & Co. would further like to announce that as a result of the merger, it has recently moved into new offices in Birmingham and Bristol.

NEW ADDRESSES

BIRMINGHAM) Ansington House 136 Surfolk Street Queensway Birmingham Bi 1LL Telaphona: 021-643-4488 Telau:338876 TRBHAM G

BRISTOL Queen Anne House 69-71 Queen Square Bristol BS14JP Telephone: 0272-211622 Tele:: 44365 TRBRISG

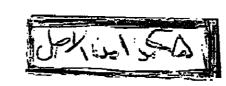
Ministry of Production, Government of Pakistan, in-

vites applications preferably from Pakistan nationals for appointment as Director (Operations) for its 1.1 million tpy capacity integrated plant based on blast furnace -LD converter process which is fast nearing completion at Bin Qasim near Karachi.

This is a Board level appointment. The ideal candidate will be in the age group of 45.50 years with experience of having worked in integrated steel plants at senior management level and preferably experience of commissioning comparable plants. He should be a Metallurgist or a Mechanical Engineer, having Doctorate or a Master's degree and should have a minimum of 20 years standing in senior positions in the basic iron and steel production industry. One important requirement will be demonstrated ability to provide high quality leadership for a large Industrial undertaking. The incumbent will be responsible for seeing a major steel project through the crucial stage of transition from construction to commercial operation.

Terms and conditions will be negotiable. Apart from basic salary, generous fringe benefits like free accommodation, conveyance, medical facilities, contributory provident fund etc. would be provided.

Complete biodata and references with an indication of minimum salary acceptable in Pakistan Rupees as well as the likely date of availability in the event of being selected may be sent to Deputy Secretary (Steet), Ministry of Production, Government of Pakistan, Islamabad by



\$648 122 \$540 93 (1) 8383 77 Measurement, Control & Components Eliminations S460 \$632 \$764 27% 37% 21% % Increase over prior year \$15 \$16 \$18 Interest expense \$248 8168 S295 Taxes on income \$401 5293 \$502 Net income 37% 31% 25% no Increase over prior year Per common share: \$2.27 31.74 \$3.94 \$3.12 \$0.29 \$0.83 \$0.63 \$0.40 Cash dividends declared SUMMARY OF FINANCIAL DATA 18% · 16% 19% Net income as 😘 of revenue 29% 28% 25 K 26% Return on average stockholders' equity \$390 \$212 \$187 Fixed asset additions \$130 \$159 **\$184** Depreciation expense 129 129 127 Average number of shares outstanding AT DECEMBER 31-8625 **S885** \$786 Working capital S2,385 \$1.995 \$1,716 \$4,375 \$2,955 \$1,900 \$1,550 \$1,280 \$1,038 Stockholders' equity

FIVE YEAR SUMMARY

(Amounts in millions except per share amounts)

1979(A)

1.513

\$3,641

(A) Regults of Fairchild Camora and Instrument Corp. have been consolidated with (B) Results of Sangamo Electric Company have been consolidated with Schlumber

Certain information relating to directors' share dealings and group companies, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during normal business hours at Kleinwort, Benson Limited. 20 Fenchurch Street, London EC3P 3DE, from whom copies of the full Annual Report may be obtained.

Union may sue Ministry over redundancy

BY PHILIP BASSETT, LABOUR STAFF

THE MINISTRY of Defence is likely to face a High Court action next week brought by one of its unions to stop it issuing redundancy notices to staff or offering their work to private contractors.

The Civil Service Union, which represents mainly lower-grade white-collar civil servants, will press, probably on Tuesday, for the restraint. to be enforced.

The union wants the High Court to give a declarationinjunctions cannot be granted against the Crown-stopping issue of notices until the Central Arbitration Committee has decided on the union's reference to it, under the Employment Protection Act, for the disclosure of information on the MoD's decision to employ contract staff.

case concerns

cleaners employed by the MoD

threatened because of plans to have their work-done by contractors, as part of the Government's programme of Civil Service cuts. The cleaners met on Wednesday and resolved to strike until the end of the

week in protest. The CSU at a meeting on March 12 won assurances from the MoD that it would not take

in Bath, whose jobs are

the matter further for 14 days, and asked for assurances that the cuts will be delayed until the CAC decision. It has since consulted its lawyers and will issue a writ if the assurances are not received.

Mr. Les Moody, CSU general secretary, said any High Court action would be on the one specific point of staying the MoD's action. He asked to deal with the dispute

itself, nor with what the CAC is being asked to decide." The union has a preliminary

meeting with the CAC today on its reference under Section 19 of the Act, but a decision is not expected for some time. The Ministry of Defence said it was "reserving its position" on whether it went head with the issue of redundancy notices because the matter was still unresolved.

Civil Service resists manning cuts

cut out waste and reduce This was designed to fund in bureaucracy, suspicion remains that the Civil Service will always be able to put up a smokescreen resistance.

at a meeting of a sub-committee of the Commons' Treasury and Civil Service select committee hat the staff provision in the 980-81 estimates for the Civil service over the coming year showed an increase rather than September are traditionally the fall in numbers has streng-

havernment's election promises sat it was determined to cut

potApril last year stood at recruitment ban and the 3 per 12.000 industrial and white- cent cut "caused the quality of collar workers. Staff provisions service provided by Governin the estimates are a maximum ment departments to suffer to figure: the actual numbers are usually lower. Even so, the A letter from Mr. J. difference in April last year Moore, private secretary between those budgeted for and Lord Soames, then Lord Presithose employed was only just dent of the Council with

election pledge to cut the num. The letter agrees that the bers of civil servants. Within Civil Service Department was week of the election it froze subject both to the recruitment all recruitment in one depart- ban and to the 3 per cent manment, a move which was power squeeze, but adds: "The broadened within a fortnight to number of its staff in post did an across the board recruitment not, however, fall during the

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manu-

facturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100);

registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Eng. order

110

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

124.0

131.0

127.0

-206

-486 -493

-745

-418

-321 -226

Bank

%

28.5 13.2 16.2

14.6 19.1

16.2

FINANCIAL-Money supply M1 and sterling M3, bank advances

in sterling to the private sector (three months' growth at annual

rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum

advances DCE

8.6 +1,774

+2,407 +3,053

+1,565

22,6 + 522

245

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

Export Import Visible Current Oil Terms Resv. volume volume balance balance balance trade USSbn*

Intmd Eng.

goods output

101.7

99.5 101.7 99.4 100.8 102.5

102.8

96.9

102.0

+534

-310 -238

-674

-394

- 51

-271 -176

Mfg.

103.1

104.1 100.5 102.8

105.8

110.3

110.2

113.1

112.1 U4.6

12.2

105.8

108.8

105.6 105.1

104.0

107.0

135.3

129.3 124.7

131.8

131.3

129.9 136.8

lending rate (end period).

14.9

7.6 9.7 15.5 5.1 15.5 6.5 5.1

goods goods

97.2 .

103.0 95.9 101.2

92.0 98.0

103.0

112.9

128.1

128.9

125.8

131.2

128.3 · 129.1

11.9

10.2 12.7 15.2 13.4 12.7

8.9

Basic Whsale,

3rd qu. 4th qtr. Sept. Oct. Nov.

Dec. 1980

1978

Ist\qtr.

2nd) otr. 3rd otr.

Sept. Oct.

Dec. 1980

Jan.

lst qtr.

3rd atr

Oct. Nov.

Dec. 1980

4th qtr. 1979

nokescreen of effective The cut took some time to mental staff restaurants.

work through. Staff employed In June, the Government of the revelation on Wednesday were down to 724,000 by July, announced a review of and the expected cut of 20,000 Service staff levels based on posts was achieved only by options of cuts of 10, 15 and 20 October, when numbers were down to 712,000.

Apart from any programme cuts, however, August and two months with the highest deued this view. wastage rate. Furthermore, a For this comes despite the recent Civil Service Department memorandum on the cuts said that, despite union claims of Fr size of the central adminiincition.

I the number of civil servants or reason to suppose that the cent cut "caused the quality of a substantial extent.

A letter from Mr. J. K. responsibility for the After the election the Con- Service, to the Commons select servative Government appeared committee, illustrates the diffibe moving quickly on its culty of cutting the service.

Retail Retail Unem-

132.3

144.6 151.9 145.5 149.1 153.2

155.1

99.5

105.4

99.2 106.0

61.0

-458

-229

-157

- 96 + 27 - 88

- 74 - 52

1.340

1,351

1,269 1,286 1,264 1,282 1,282

1,294

1,339 1,383

Metal Textile House

mnfg. etc. starts

102.2

109.6 96.2 102.0

97.0

98.0

106.5

103.7

104.4 104.1

100.9 100.6

inflow lending

1,584

1,867 1,879

1,954 663

698 593

671

878

235

RPI* Foods* comdty. Strlg.

230 243

219

207 191

20.3

12.9 21.3

21.0

18.1

20.5 19.2

13.1

22.54

22.42

22.72

23.71 23.93

12;

14 17 17

increase in staff stemming from part the recent pay settlement the Civil Service catering which gave average increases of organisation's takeover of a number of loss-making depart-In June, the Government announced a review of Civil

ECONOMIES PROVE HARD TO **PUT INTO EFFECT**

much backstairs lobbying by Ministers on behalf of their own departments, the cut announced in December averaged only 41 per cent, or about 39,000 posts. The timetable was seen as: financial year 1980/81, 9.000 posts: 1981/82, 11.000 posts: 1982/83, 16,000 posts; and 1983/

1984, the final 3,000 posts.
The Civil Service Department for instance, estimates that its by 1982-83 will be "necessarily in December that "though weighted" towards the end of there may be short-term fluctu-

HOWEVER fervently a government declares its intention to reduction in manpower costs. such crucial reasons as the for the department to oversee now on will continue downthe general reductions throughwards." out the service. Privately, how-Sir John Herberg said that ever, officials from the Civil Service and other departments

extra staff had had to be taken on to deal with changing agree that there is little central economic conditions, such as impetus for departments to achieve their targets in this growing unemployment and demand for suppleparticular batch of cuts.

MPs at this week's subcommittee were sceptical in any mentary benefit. case that the exercise, even greatly reduced as it is, was

second permanent secretary at the Civil Service Department, was at pains to insist that the cuts announced were genuine. Numbers employed fell in January this year to 708,000. But in spite of the cuts announced, by the end of this month numbers are expected to have risen to 712,000. Since the jects another increase of 3,000 in this financial year, MPs estimate that Civil Service manpower has risen by 15,000 since the cuts were announced in

actually achieving anything although Sir John Herbecg,

The committee was astonished by this admission, despite Civil Service officials quoting the own projected cut of 280 posts statement made by Lord Soames by 1982-83 will be "necessarily in December that "though

APPOINTMENTS

Sir Alan Campbell joins NatWest Board

Sir Alan Campbell has been appointed to the main Board of NATIONAL WESTMINSTER year as Britain's Ambassador to national Group. Italy, he has become foreign affairs adviser to Rolls-Royce and

Lord Chalfont. Minister of State at the Foreign and Commonwealth Office (1964-1970), has been appointed a nonexecutive director of SHAND-WICK CONSULTANTS.

Mr. R. J. Marshall has been appointed president of LBI (CANADA) from April 1. He will also be chief representative of Lloyds Bank International in Toronto with responsibility for the bank's activities in Canada. He succeeds Mr. D. R. McCallum. who retires from those positions but retains his seat on the Board. Mr. Marsball was formerly principal manager of Board. the bank's Far Fast Division.

Mr. D. J. F. Hunt, Conservative MP for Wirrall, has been appointed a director of BET OMNTBUS SERVICES in place of Mr. D. E. Awdry, who has re-

Mr. R. H. Sellier, assistant managing director of Cemeata-tion International, has been appointed managing director of CEMENTATION CONSTRUC-TION. succeeding Mr. Peter Maguire who has left the Trafalgar House Group.

Mr. Graham Clarke FCA has become financial director and company secretary of WEST'S PILING AND CONSTRUCTION and Mr. Tom. Brown has been appointed contracts director. The parent concern is WGL

Mr. T. A. Leonard has been appointed to the Board of H. CLARKSON INTERNATIONAL

Mr. George E. Putnam, Jr., senior vice president of Citibank in New York, has returned to London to take up his post as chairman and chief executive officer of CITICORP INTER-

remain responsible for worldwide marketing co-ordination for international merchant banking BANK. Since his retirement last as chairman of Citicorp Inter-

Mr. T. F. Bell has been a director of Mercantile and appointed finance director of General Reinsurance (a subsidiary of Prudential Assurance) SAVILL, a subsidiary of the and H. Clarkson (Holdings). Sime Darby Group, He was previously with the Bland Payne

> Mr. Ronald J. Williams, previously marketing director of Polar Contract Motoring, has been appointed to the newlycreated post of sales director, GODFREY DAVIS (CONTRACT HIRE).

Mr. Brian K. Green is to become president of the CONSTRUCTION SURVEYORS' conference next month in place of Mr. William S. Sinclair. Mr. Desmond Holmes will be first vice-president and Mr. Michael A. Tolley, second vicepresident.

DMI Limited and the Cornelius Company of Minneapolis, U.S., have established a jointly-owned company called IMI CORNELIUS facture and market products and soft drinks in Europe. Mr. Roy Amos, an executive director of IMI Limited, is chairman and chief executive of the new concern and Mr. Bob Spencer, formerly chairman of IMI Paxman and Redditch Controls, is its deputy chairman.

N. F. Wood, managing director of PITTARD GROUP, is to be chairman from May 8 and will be succeeded by Mr. J. W. W. Pittard as managing director. Mr. A. H. R. Noer, managing director of C. W. Pittard and Co., becomes chairman of that company, and Mr. N. W. Palmer will be managing director. -- Mr. C. J. Pittard resigns as chairman of Pittard Group from that date but will remain on the Board. He will also become chairman and managing director of a new company, Pittard Group Services.

NATIONAL BANK, as well as Mr. John Scott. a partner of head of the Europe-Middle East-Africa Division of Citibank's appointed a director of NEIL merchant banking group. He will AND SPENCER HOLDINGS. Mr. John Scott. a partner of

-- 25,000,000

BANK RETURN

	- Wednesday	Increase (+) or Decrease (-)
	Mar. 19, 1980	for week
BANKING	DEPARTMEN	T
Liabilities Capital Public Deposits Special Deposits Bankers Deposits	£ . 14,553 000 25,343,200 131,835,000 377,755,893	+ 659,548 + 27,965,000 - 86,312,343
Reserves & other Accounts	702,953,949	+ 20,423,506
	1 252.441,042	— 37,264.489
ASSETS Government Securities Advances & Other Accounts Premises Equipment & Other Secs. Notes Coin	615,226,810 202,658,490 408,959,501 25,331,999 264,242	- 43.900,270 7.812,460 624,046 + 13,791,340 - 32,855
	1,252,441,024	57 264,489
ISSUE D	EPARTMENT	1
Liabilities	£	£
Notes issued	9,750,000,000 9,724,668,001 25,331,999	- 25,000,000 - 38,791,340 + 13,791,340
ASSETS Government Debt Other Government Securities	11,015 100 8,148,561,498 1,590,423,042	+ 257,226,018 263,286,018

9.750.000,000

BY OUR BELFAST CORRESPONDENT MR. JOHN DE LOREAN, the ing with a conventional saloon by the Northern Ireland Departformer General Motors vice- based on the chassis, engine and ment of Commerce under th president whose De Lorean major components of the exist-Motor Company is shortly to

'could rise to 9,000'

begin production of sports cars in Northern Ireland, has predicted that his labour force in Belfast could rise to as high as 9,000 once full production of the model range of about 22 acres.'

The venture, which is backed by £56m in Government finance, ponents sector as a result of his could lead to the production of company's projected production 200,000 cars a year on the 70-acre site on the west of the city, he said in Belfast yester-

De Lorean's immediate plan is to assemble up to 30,000 stainless-steel skinned sports cars a year, employing 2,000 people.

However, the company intends to introduce new models, start-

De Lorean labour force

Mr. De Lorean said, "The Belfast site has a considerable potential. The average assembly plant in the U.S. is producing 300,000 units a year on a site

He forecast a rapid growth in Northern Ireland's car comrates.

He confirmed that De Lorean Motor Cars, the company regis-tered in Northern Ireland, had applied for further Government aid-understood to be between effects of inflation on construc- companies have contacted him

650,000 sq. ft, plant. If the application is accepted province.

terms of the agreement it signed with the company in August, 1978, the total contribution from

least £62m. Pilot production of the exotic De Lorean sports car is about to start, with serial production due to begin in late summer. The company has almost 300 employees: and recruitment is expected to rise sharply in the autumn when the car will be

introduced in the U.S. Mr. De Lorean views the proect as of vital importance to the Northern Ireland economy. He £5m and £8m-to cover the project in 1978, up to 12 U.S. tion and tooling costs at the seeking advice about investing in manufacturing projects in the

Durban Roodepoort Deep Limited

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

The following is from the statement by the Chairman, Mr. D. T. Watt

The year ended 31st December 1979 was one of the most successful years for your company during which it achieved a total working profit of R10.1 million which was the highest on record in its long history of \$1 years of operation. This achievement was due exclusively to the substantial increase in the price of gold over the year. The price received by the company for its gold production in 1979 averaged U.S.\$307 per ounce which was 55 per cent higher than the average price of U.S.\$198 per ounce received in 1978.

This record profit occurred only a more 2 years after the company had experienced its most adverse year and the rapid recovery is notable, because it demonstrates how acutely sensitive the company's profits are to the gold price. It also clearly shows the wisdom of the State in assisting the company's mine through the lean years when the gold price was much lower.

There was a small increase in the tonnage of ore milled during the year but the yield at 3,53 grams per ton was 14 per cent lower than the yield during the previous year. Gold production therefore declined by 899 kilograms However, the increase in the average price of gold received more than compensated for the decline in gold production and resulted in an increase of 35 per cent in working revenue to a record of R63,6 million.

Unit working costs increased by 18 per cent from R21,26 per ton milled to R25,08 mainly as a result of the increased amount of development work and maintenance, etc.; which was undertaken during the year. In previous years, when the company had experienced adverse financial conditions, development had been limited to the baresi minimum. As the company's future prospects improved

SUMMARY OF RESULTS

	1979	1978
Tons milled	2 145 000	2 108 000
Gold produced—kilograms	7 579	8 478
Yield-grams per ton	. 3.53	4.02
Working revenue	R63 617 000	R47 036 000
Working revenue per ton milled	R29.66	R22.31
Working expenditure	R53 791 000	R44 824 000
Working expenditure per ton		
milled	R25.08	R21.26
Working profit	R9 826 000	R2 212 000
Working profit per ton milled	R4.5 8	R1.05
Pyrite revenue	R280 000	R331 000
Total working profit	R10 106 000	R2 543 000
State assistance claimed	*R7 000	R3 126 000
Other income (net)	R436 000	R369 000
Forfeited dividends	R 10 00 0	R7 000
Taxation	R773 000	
Net profit	R9 786 000	R6 045 000
Profit appropriations		
Mining assets	. R3 501 000	R1 631 000
Dividends: No. 111 of 40 cents		
per share and No. 112 of		m
115 cents per share	R3 604 000	R1 162 000
Retained surplus at 31st		m= aaa aaa
December 1979	R8 539 000	R5 933 000
Total ore reserves—tons	4 529 000	2 450 000
Value-grams per ton	5.8	7.5
Width-centimetres	138.5	142.5
* 1978 adjustment		

progressively with the gold price during the year, it became necessary to expedite these activities. However, reviewing costs in more general terms, I regret to report that inflationary pressures continue to plague the mining industry and notwithstanding management's concerted efforts to contain the upward spiral, costs have continued

The company's working profit rose by 297 per cent or R7.6 million to R10.1 million for the year. State aid was

claimed during the first half of 1979 before the gold price that really begun its spectacular increase. However, during the second-half of the year, the results improved to such an extent as a result of the significant increase in the gold price that the State aid claimed during the first-half of the year became repayable and in addition, the company became liable for the payment of mining taxation amounting to R773 000. The net profit for the year was accordingly R9.8 million, which represents an increase of 62 per cent on the previous year.

CAPITAL EXPENDITURE

Capital expenditure during the year under review amounted to R3.1 million which was moderately higher than the corresponding figure for last year and consistent with the plan outlined in my statement last year. Reviewing the future of the mine against what is believed to be a conservative projection of future gold prices, it is now clear that if the full potential of the mine is to be realised, a more extensive capital expenditure programme must be undertaken than was formerly envisaged. It is accordingly estimated that R8,7 million will be incurred on capital expenditure during the year ending 51st December 1980, it is further estimated, in terms of the new capital programme that expenditure on this account will increase in the following year to almost R14 million. During the 1980 year the capital expenditure programme will be concentrated on shaft sinking, development and equipping of haulages, etc., and the installation of equipment to improve the supply of compressed air underground. Improvements in accommodation and amenities for the company's black employees will also be made and will invoive the expenditure of approximately R1,1 million in 1980. This expenditure includes provision for preparatory work on a totally new hostel to house 3 500 men. The construction of this hostel will be completed in 1982.

As members are probably aware, in 1977 the State agreed to grant the company loans totalling R2,4 million. These loans were made available to cover losses after receipt of the maximum assistance permitted in terms of the Gold Mines Assistance Act. Due to the increased gold price received R655 000 of the loans became repayable to

the State during the year under review.

The State loan including capitalised interest has been repaid in full since the year-end. In my statement last year, it was mentioned that discussions were taking place with Rand Leases (Vogelstruisfontein) Gold Mining Company Limited to investigate the possibility of obtaining a tribute to mine Kimberley Reef in a portion of that company's lease area from the existing workings in your company's mine. The company has now been notified by the management of Rand Leases that in view of the higher gold price it is possible that operations

, **

will be re-commenced at that mine. Negotiations between the two companies have therefore ceused. INDUSTRIAL RELATIONS

The company is committed to the Barlow Rand Group Code of Employment Practice which applies equally to all race groups. As far as the implementation of this code is concerned, the company is bound to operate within the limits of pertinent legislation and legally enforceable industrial agreements. Notwithstanding these limitations, and the constraints imposed by business conditions, I am pleased to report that further progress was made during the year. It is also most important to note that with the improvement in future business prospects, following the increase in the gold price, one of the first areas of the mine to benefit will be the accommodation and amenities provided for our black employees. A new hostel for 3 500 men will provide accommodation consistent with the most modern standards in the mining industry. When employees are transferred from the older existing hostels to the new hostel, the older hostels will be totally repovated in order to improve living conditions. The reduction in the number of men accommodated in the older hostels will also contribute materially to better living conditions. It is gratifying that the improvement in the gold price has enabled us to improve the quality of life on the mines for

our black employees.

The reports published in 1979 by the Wiehahn and Riekert Commissions contained recommendations which are far-reaching and, when implemented, will clearly assist in eliminating racial discrimination in industry. Certain bold legislation, including that which provides for membership of trade unions on the part of certain black workers, was enacted in the wake of these reports and is tangible proof that Government has accepted the recommendations of two commissions and is committed to an enlightened course of action in the immediate future.

The Wiehahn Commission has not yet reported on the mining industry and its findings and recommendations in this connection are awaited with considerable interest. There is, however, much apprehension about future changes in employment practices in the mining industry as was shown by the abortive illegal strike of members of the Mineworkers' Union made on 7th March 1979. It would appear from developments and statements since that time that the attitude of the leaders of certain trade union movements still remains opposed to the ending of job reservation and the affording of equal employment opportunities to all race groups. While legislation may be progressively enacted and the frame-work thereby created for equal employment opportunities for all races, the implementation for the necessary changes in employment practices, in the face of opposition from certain trade union movements, is going to require great patience, tact and understanding. It is, however, clear that progress in this connection cannot be unduly protracted. Your company is committed to working for these changes in whatever manner will secure their most expenditious implementation white simultaneously avoiding any disruption of operations.

The supply of unskilled labour was adequate throughout the year. The average turnover of the mine's unskilled abour decreased over the year and increasing numbers of employees are returning to the mine after periods at home. Mine management is aware of the changing aspirations of its unskilled employees and is continuously striving to improve formal communications with them.

While the mine has not yet been adversely affected, a serious shortage of artisans is developing. A decision to increase the number of apprentices in training on the mine has already been implemented.

FUTURE PROSPECTS

The future prospects of your company's mine will be almost exclusively a function of the gold price. During the carly part of 1979, the gold price was influenced mainly by the weakness of the United States economy. However, the spectacular increase in the price of gold later in the year and early in 1980, was determined by the grave political problems which have developed particularly in the Middle East and which pose a threat to world peace. In my view, the gold price will be unstable and subject to major fluctuathe gold price will be unstable and subject to major inclusions until the political problems are resolved and, in particular, until the potentially explosive situation in the Middle East is defused. In the interim, it is most important that the feeling of euphoria, which could easily be engendered by unrealistically high gold prices, should be appended by unrealistically high gold prices, should be appended by unrealistically high gold prices. firmly tempered. I am apprehensive about the likelihood of exaggerated wage demands and increases in the cost of stores and materials being based on estimates of future gold prices which subsequently prove to be too high. Such demands, if-granted, could be crippling, particularly for low-grade producers such as your company's mine if the gold price drops to unrealistically low levels, even temporarily, in the wake of a settlement of the world's more critical political problems. The key question is of course what can be considered a realistic gold price in a politically stable climate. This question in my view, defies any reliable answer at this time. Gold has, however, once again clearly demonstrated that it is a most acceptable, if not the most acceptable, store of wealth. This has been so clearly demonstrated that it is not inconceivable that at some future date it will again be formally re-established in the monetary system.

Members will note that the ore reserve calculations, as

outlined in the directors' report, have been based on a gold price of U.S.\$300 per ounce. This was considered to be a conservative but realistic figure at the time of calculation. In preparing the operating plan for 1980, an average gold price of U.S.\$373 per ounce or R10 000 per kilogram has been assumed. If this price is in fact obtained for 1980, and it would seem that there are reasonable prospects therefore, and if the gold price increases thereafter at a rate equal to the rate of increase in working costs, there are prospects of your mine remaining in profitable operation for many years. Under these conditions, there is sufficient ore in situ in the mine to support profitable operations for a considerable number of years. Insofar as 1980 is concerned, it is felt that a dividend distribution in excess of the 155 cents per share made in 1979 will be possible providing the gold price does not drop below U.S.\$350 per ounce on average

In conclusion. I have pleasure in recording the board's appreciation of the services rendered during the past year by the managing director, Mr. N. A. Honnet, by the general manager, Mr. G. L. H. Diering, and the staff and employees at the mine, by the technical and administrative staffs at head office, and by the secretaries in the United Kingdom.

The Sind annual general meeting of Durban Roodepoort Deep Ltd. will be held in Johannesburg on 17th April, 1980. The Asia distant grant and the annual financial statements are obtainable from the office of the secretaries in the United Kingdom at 40 Holborn Viaduct, London ECIP IAJ, or from the U.K. transfer secretaries, Charter Consolidated Ltd., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

larkets

3rd qtr. 4th qtr. Nov. Dec. 1980 Jan.

> INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of the continuous (Theories 1971=100) sterling (Dec. 1971=100). 1978

4th atr. 3rd qtr.

301.66 231.1 295.13 172.5 178.1 178.2 180.3 233.2 235.6 232.6 234.8 162.I 165.I 237.7 239.4 188.5 191.1 245.3 248.8 244.8 246.7 162.6 308.69 197.2 191.1 248.8 24 Not seasonally adjusted. 304.27

matis.* mnfg.* 147.1 147.3 154.2 161.7 153.6 158.1 163.3 169.9 183.9 168.0 176.4 225.2 231.9 293.55 67.4 71.0 68.8 69.8 4th otr. Sept. Oct. Nov. 301.66 291.34 297.22 295.13 68.4 69.7 71.4 73.2

NHS unions plan anti-Clegg campaign

By Pauline Clark, Labour Staff

PLANS for the first campaign a mountrial action against a Clegg commission report were laid yesterday by union repressentatives of physiotherapists, radiographers and other supplementary workers in the health

The Association of Scientific. Technical and Managerial Staffs, one of the main unions representing the group, decided at a special health group meeting to draw up plans for a stoppage on March 27 and a day of demonstrations outside the Houses of Parliament.

The National and Local Government Officers' Association's health service representatives will consider the commission's recent findings on pay comparability for the group day. They are expected to take a similarly firm stand against

accepteing the report. Although Professor Clegg's report on 37,000 supplementary medical staff, published last week is supposed to bind both sides, union leaders say they

cannot accept its findings. The unions are angry at the 15.4 per cent award, which has been described by Mr. Steve Johnson, NALGO health officer and staff side secretary, as an

unmitigated disaster." After yesterday's ASTMS meeting, Mr. Reg Bird, national officer for health service members, said the union would challenge the validity of the

Both unions claim the commission failed to fulfil its terms

of reference Mr. Bird said ASTMS was the commission's award including the increase to £1.50 for emergency duty and the sug-gestion that the pay increase should be reduced when staff were working less than 374

The commission said yesterday that management and staff sides were both consulted during the inquiry and it felt it had fulfilled its terms of refer-

 ASTMS was granted leave by the High Court yesterday to challenge the decision of Mr. Patrick Jenkin, Social Services Secretary, to fix new emergency duty pay rates for 16,000 National Health Service Jaboratory scientific officers. Negotiations broke down in December. and Mr. Jenkin then fixed the

New implications for Post Office cash talks

BY NICK GARNETT

clear to union officials yesterday Bournemouth. that the rejection earlier this , week by its higgest union of a national staffing and product Office and the union's executive of casual labour this summer. tivity agreement will have major saw as crucial to improving new work and more flexible proimplications for this year's pay postal performance. A pay offer motion. negotiations for postal workers. might now be made today.

Management met officials of the Union of Post Office Workers yesterday for what had originally been intended as its first formal response to the union's pay claim for rises of 20 per cent. This is due for settlement

Negotiators told the union they could not make a formal offer because of the rejection of the new staffing proposals at the

THE POST OFFICE made it union's special conference in

digest the rejection of the

Mr. Tom Jackson, the union's general secretary told the conference that the Post Office had budgeted for pay rises of 11 per

The union executive had stressed during the conference changes would give the Post Office greater financial lee-way to deal with the claim. failed to sway delegates.

from the meeting convinced that the Post Office is now They wanted time to fully inclined towards introducing some of these rejected staffing arrangements which the Post changes. These include the use

> The management has been considering introducing casual labour during the summer without agreement with the unionwhich it can technically do.

There is also pressure to tie considerable staffing and productivity elements directly to that agreement on the staffing the basic pay offer. This could result in producing an offer in which only a relatively small percentage rise would not be linked to agreement on staffing

Meat inspectors urged to act

BY OUR LABOUR STAFF

authority meat inspectors. which could seriously disrupt meat supplies, came closer vesterday when the Association of Meat Inspectors' management committee recommended a vote for action in any ballot it

The union, the National and Local Government Officers' Association, may ballot its 600 meat inspector members-most of whom also belong to the AMI -on industrial action to support a 10-22 per cent compara-

NALGO's strike operations

INDUSTRIAL ACTION by local committee will decide next week whether to hold a ballot. The union said yesterday if the inspectors took action "the supply of home-produced meat

receive full pay from the union. offered 6-12 per cent.

The union is balloting its air Members employed

controllers have already said they are ready to take industrial

The union strike pay used to approach members' full pay, but it was cut tao £4 a wek ofter a long and expensive social

workers' strike last year. NALGO also said vesterday local councils had settled indethat air traffic controllers at pendently following the deal local authority airports who with Cleethorpes council which strike at Easter in support of gave payments of 10-15 per cent. the comparability claim would The employers nationally have

Members employed by Nuntraffic control members on a caton district council will four-day strike at Easter. The receive comparability payments of 9-16 per cent and those working Bassetlaw district

Prior looks at CBI unions plan

THE GOVERNMENT is to Government officials will discuss ing a file of "troublemakers"

Industry proposal that employers be required by law to how legal sanctions could be help stage trade union ballots. imposed on employers who did

The idea was drawn up by the CBI council on Wednesday and put to Mr. James Prior, the Employment Secretary yesterday. by Sir John Methven, CBI director-general.

Mr. Prior is understood to have shown some interest in the idea, aimed at involving wor-

study the practical implications the practical details with the could become more widespread. of the Confederation of British CBI. Possible problems include

> a company would assess whether the CBI idea of removing all lead to violence.
>
> legal immunities from workers staging secondary indicates the study pickets," and that this would lead to violence.
>
> The difficulty of "idea of the difficulty of the diffi its employees wanted a ballot. staging secondary industrial

action.
Christian Tyler writes: The kers more in the decision-mak- habit of some employers of rates proposed by management. Ing of their trade unions, photographing pickets and keep-

yesterday.

It claimed that the Government's failure to make illegal picketing a criminal offence would force companies to keep

ing" pickets was raised in a submission to Mr. James Prior. the Employment Secretary, on

Bonuses amount to 30% wage increases

By Our Labour Staff

PRODUCTIVITY honnses heing paid to Rolls-Royce's 55,000 workers in its aeroworkers in its aeroengine factories are amounting to pay rises of up to 30 per cept in some instances.

The company said yesterday that its self-unancing honus scheme was violding increases of between 15 and 20 per cent to the majority

The honus scheme dates from agreements reached with unions on pay in 1978 after the end of pay policy. It was decided then that future pay increases should come out of productivity and the system has since then become a substitute for the old annual pay agreements.

Teachers' pay talks await Clegg advice

NEGOTIATIONS on the 1980 pay rise for 470,000 schoolteachers in England and Wales -due on April 1--were yesterday postponed until at least the third week in April, to await the recommendations of the Clegg Commission on Comparability, writes Michael Dixon, Education Correspon-

commission is still considering the teachers' unions' 1979 demand for a 38.7 per cent rise which they claimed was needed last April to restore the salary relativities awarded to teachers by the Houghton Committee in

Tin miners say they face cancer risk

MINERS at South Crofty, the largest tin mine in Cornwall. yesterday claimed that radioactivity in the workings could have caused at least 15 cases of cancer, five of them fatal, in

recent years.
The claims were made as 150 miners remained on strike for a second day and refused to go underground without free-flow air helmets.

The radioactivity comes from radon gas, which itself comes from trace elements in granite. Levels of radio-activity are higher because of adjacent abandoned workings.

Civil servants resisting pay comparability scheme

collar civil servants:

the Pay Research Unit's com- the CPSA and the Institution of the Clegg Commission on pay parability studies, are now Professional Civil Servants- comparability, look with eavy at drawing to a conclusion. The having to yield to demands at the pay research system. reports show increases due of their annual conferences later around 20 per cent

The two largest unions, the pay research. Civil and Public Services Such a w Association and the Society of from the opinion

PRESSURE is building up in have executive metings today implications for other unions some Civil Service unions to to discuss the progress of such as the mind Revenue pull out of the system of pay negotiations this week. And on Staff Federation and the Assercomparability, which is a key Tuesday genral secretaries of all ation of Government Supervisors factor in determining annual the nine unions will meet to and Radio Officers, whose pay increases for 600,000 while examine the overall position. negotiations follow closely those

Whatever the final outcome of The final stages of negotia- the present negotiations, how- tions form any of the unions on ever, there is at least a strong those who feel they have this year's incerase, based on chance of two of the unions— suffered in being referred to their annual conferences later A large number of motions in the spring to withdraw from submitted for the CPSA conference receases

Civil and Public Servants, bith create, would have considerable Friday.

of the two large unions.

pay research.

Such a withdrawal, apart from the system. The closing from the obvious split it would date for motions was him



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Interim results (unaudited) for the half-year to 31st December, 1979

•	Half-year to 31.12.79	Half-year to 31.12.78	Year ended 30.6.79
• •	£'000	£'000	£7000
Sales	99,595	90,860	178,945
Profit before Taxation	5,714	5,431	11,782
Earnings Attributable	3,620	3,238	7,785
Earnings per Share .	9.16p	8.19a	19.70p

Group pre-tax profits 5% ahead of corresponding half-year.

Engineering Division's results adversely affected by strike of engineering workers. All other Divisions improved on the previous

Pending settlement of steel workers' strike, impossible to forecast result for full year, but earlier expectations of growth will not be achieved.

An interim dividend has been declared of 1.785p (1979–1.70p).

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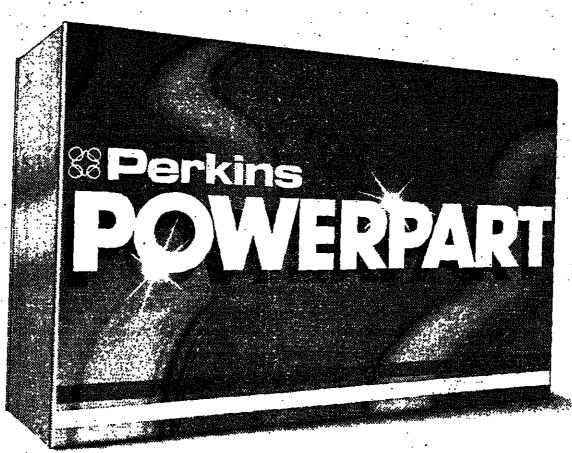
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Cheers as **Thatcher** rebukes Churchill

offence" to his remarks on the He was answering protests result of British policy in from Labour MPs about the

Her rebuke—to the man she on employment. sacked as Shadow Defence Minister for defying her over Rhodesian sanctions — drew gasps from some MPs and cheers from the Opposition at Budget. Question time.
Mrs. Thatcher was clearly

Mrs. Thatcher was clearly interest rates drew an in-angered when Mr. Churchill triguing reply from Mr. Nigel asked: "In the light of the Lawson, Financial Secretary to Foreign Office's disastrous misjudgment over Rhodesia and bearing in mind the Prime Minister's oft-awoved friendship for the state of Israel, will she make it clear that it is not part of Government policy to seek to undermine the Camp David agreement and peace of the Middle East by seeking to instal a Marxist-terrorist Government

Mrs. Thatcher retorted: "I take great offence if I may say so at your remarks on the Foreign Office and therefore my policy on Rhodesia."
[She added: "With regard to

policy on the West Bank you know there are to be further talks on the Camp David agreement, and we all indeed hope there will be agreement.

Complaints on milk deliveries

RETAILERS YESTERDAY complained to MPs that the majority of the large dairy companies have refused to supply them with bottled milk and instead delivered only higher priced carton milk.

Retailers' organisations gave evidence to the Commons Select Committee on Agriculture which is looking at the effects of the Common Agriculture Policy on milk and dairy products. They argued that unless a greater profit margin was achieved for the retail grocer in milk sales, there would be a marked decline in stores offering milk for sale. At present the margin per pint is half a penny.



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Best back-up for the best diesels

Interest rates 'will rise' if inflation battle fails

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

The exchanges came during

the usual probings which take place during Treasury Question Time the week before the Complaints about high

the Treasury. It was suggested to him from the Conservative backbenches that if interest rates do have to rise again, then the Government should do something to protect small businessmen who are the hardest hit by the 17 per cent MLR.

Mr. Lawson replied that he profoundly hoped that it would not be necessary for interest rates to rise again but that the battle against inflation had to be the Government's top priority.

He added: "If it is necessary

in the battle against inflation for interest rates to rise further, then they will have to rise." Defending Government pollsigns of progress in re-establish-

A TELEVISED tussle in

which. Sir Geoffrey Howe,

Professor Milion Friedman

and Mr. Denis Healey all dis-

agree with each other about

how to control inflation will

be served up to BBC2 viewers tomorrow night.

In the programme, the final part of the series "Free to Choose," in which Professor

Friedman is setting out his

tree-market prescription in

favour of sound money. Six

Geoffrey concedes that mone-

tary policy alone is not

enough to curb inflation. Finding it hard to get a

word in edgeways against the

bellicose Mr. Healey and the insistent Professor Friedman,

weapons of monetary policy have to be augmented by

efforts to cut back state

That provides sufficient

control and trade union restrictive practices.

MR. WINSTON CHURCHILL, in which employment will be one a stinging rebuff from the Prime Minister in the Commons yesterday.

Mrs. Thatcher told Mr. Churchill that she took "great offence" to his remarks on the result of British policy in The Commons of the was answering protests from Labour 100 conditions Sir Geoffrey said that in the past four months, Sterling M3, moved cautiously on these money supply, had increased at an annual rate of 10 per cent and this represented a considering the Exchequer, told the Commons yesterday.

Sir Geoffrey said that in the broad-based definition of matters. Any such tax on the money supply, had increased at an annual rate of 10 per cent and this represented a considering the first powerful read of the Danks would involve great an annual rate of 10 per cent and this represented a considering the first powerful read of the Danks would involve great and this represented a considering the first powerful read of the Danks would involve great and this represented a considering the first past four months, Sterling M3, moved cautiously on these money supply, had increased at an annual rate of 10 per cent and this represented a considering the first past four months, Sterling M3, moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money supply, had increased at an annual rate of 10 per cent and the Chancellor always moved cautiously on these money

The most powerful underlying cause of inflation was the monetary growth inherited from the Labour Covernment, But a contributory factor in the shortterm must be the level of pay settlements beyond what the country could afford.

Pay bargainers should understand that the consequences of unreasonably high settlements would be a high level of un-Mr. Dennis Canavan (Lab.,

Stirlingshire West) complained of yesterday's announcement by Barciays Bank of an annual profit of £529m compared with £373m the previous year. He

the tone of Sir Geoffrey's reply that he was cool towards the idea of any such tax. He pointed out that the figures substantially over-stated

the profit increase when inflation was taken into account. It was important that these profits when the economy picked up. moment must be comfortable. later by Mr. Lawson, who said would have to be lived through.

Monetary policy TV tussle

to the Treasury, that the Budget could contain measures to help small businessmen. He said the Government had

been considering what further steps it could take to encourage what further steps it could take evestments in small firms but he could not reveal any details in advance of the Budget. Mr. Ken Lewis (C., Rutland and Stamford) said that small

businessmen did not have some of the tax advantages of large manufacturing industry. Mr. Biffen assured him that this had been under considera-

be borne in mind during the repeated Labour's call for a committee stage of the Finance

windfall tax on excess bank profits.

The Chancellor told him that he could not anticipate his Budget. But it was clear from the tone of Six Canference was about the difficulties which lie about the high level of bankruptcies, Mr. Biffen once again took a stern line on the difficulties which lie about the sterne of Six Canference was about the high level of bankruptcies, Mr. Any policy to reduce inflation would result in a period of

extremely uncomfortable dislocation" and bankruptcies were one manifestation of this.

Anyone who was genuine about reducing inflation and cies, the Chancellor told the should be available for lending did not run away at the first House: "There are encouraging when the economy picked up. did not run away at the first illegally and wrongly.

It was because Britain was moment must expect that uncomfortable consequences would have to be lived through.

It was because Britain was moment that the country which suffered the result of the EEC Commission's most adverse results from the application for an injunction operation of the CAP that the

Walker demands a fairer dea

BY IYOR OWEN

ought to quit for not observing Luxembourg on Monday would the Community rules, it should be decided in a week or so. be France and not Britain, Mr. Sir Geoffrey sald that in the he and the Chancellor always Peter Walker, Minister of next four months. Sterling M3. moved cautiously on these Agriculture, maintained in the Commons last night.

In an aggressive speech he fairer deal for Britain from her EEC partners.

Mr. Walker again called on France to remove the illegal barriers assinst Britain's lamb exports and in doing so hit out at M. Jacques Chirac, the Gaullist leader, who on Tuesday suggested that France and Germany should tell Britain to get out of the Community.

Mr. Walker quoted a Financial Times headline stating "Accept the rules or quit the game, Chirac tells UK." He commented: "I say to M. Chirac 'That is a very good

"The only country in Europe at the present time which is not cepting the rules and which is acting illegally, and the only Government in the history of Community which decided to ignore a decision of the European Court for more

than six months, is France." Mr. Walker stressed that the question of Britain's lamb exports was not just a dispute between France and Britain. The EEC Commission and the other member states took the view that France was acting

Ban on

rugby

players

RUGBY players in the armed

forces or civil service who are called on to join the British

Lions team to tour South Africa

will face the same ban on paid leave as British athletes who

want to go to the Moscow Olympics, the Government said

Although the 30-strong Lions team announced on Monday contains no civil servants or

servicemen, it is common for

because his employers, the

IF ANY member of the EEC -expected to be heard in

decision is announced, the French Government will take realise that it is very important echoed the determination of the that every member of the Com-Prime Minister in demanding a munity accepts the rules of the Community and abides by

> There was no question, he said, of Britain not being Communitaire, nor of Britain being against France, nor of Britain being awkward.

But Britain produced 47 per cent of the sheep meat in the Community and this fact must be recognised in any sheep meat From the outset Britain had

made it clear to the French Government and to the entire Community that there was no of the French sheep meat producers. The French Government was

free to introduce any scheme to support French producers to whatever level it wished, but any Community-financed scheme must apply to all the sheep meat producers in all the member

Mr. Walker—who pointed out that the cost of the EEC farm budget had risen from £1.6bn in 1974 to £7bn in 1979 admitted that there was little prospect of achieving "dramatic change" in the CAP in the near future.



WALKER: waxned of lough negatiators ahead

secure a "very substantial readjustment" so far as the overall EEC budget was concerned.

Mr. Walker moved a motion reaffirming that in the negotiations on common farm prices for 1980-81, Government policy was designed to secure an agreement aimed at reducing production of surpluses and the cost of the CAP. It pledged that on sheepmeat,

structures and liquor wines, agreement would be accorded to

new policies only if these we fully consistent with essential interest of the UK. He agreed to accept

Opposition amendment calli for a price freeze on milk a sugar, two commodities whi account for half the total c of the CAP.

Summing up the current sta of the price negotiations, A Walker said that in the main t majorit yof the Nine want substantial increases in price beyond what the EEC domm sion had proposed.

"We have many weeks at months of tough negotiatio ahead," he warned. Mr. Roy Mason, Lahous Shadow Minister of Ag culture, welcomed the Gover ment's acceptance of the Opp sition amendment which wou be seen as an indication th Mr. Walker had the backing the whole House.
"The more we unite. the

more support we give him the fight the battles of Bruss

Mr. Mason pressed for a co plete re-appraisal of the CAl Radical changes were neede "If theset changes are n achieved," he said, "we would have to consider whether co tinued membership of th Common Market was in the bes interests of Britain." Mr. Mason emphasised the the problems associated wit

Community surpluses, espec ally dairy products and suga They were an "expensiv scandal" which the British 123

EEC farm prices boost rejected

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER little room for manoeuvre."
yesterday clearly reaffirmed the Government's tough stand on resort, we shall have to consider the EEC budget and farm prices. In a series of Commons

exchanges with Mr. James Callaghan, the Prime Minister set out the main lines of Government policy. In the last resort, the Govern-

ment would have to consider withholding her VAT contributions to the EEC, she said. And she startped firmly on

any idea that the Government would accept the 7.9 per cent increase in farm prices proposed by the European Parliament's agriculture committee.

local education authority, have refused to allow him paid leave to clarify "conflicting reports" on the Government's approach

withholding our VAT contribu-tions—and let there be no Mr. Calla doubt about that. "As far as the budget is con-cerned and a number of other

matters which we do need to settle—fish, agricultural prices, sheepmeat—we shall continue to treat each item on its merits." It was the Government's

intention to stick to its demands for a price freeze on agricultural products which were at present in surplus, she

Mr. Callaghan retorted that the Commons had twice resolved that Britain's contributions should at least be no greater than her receipts from the EEC budget.

tions—"But if you wish still to command our support, it is important to know where you The Prime Minister was pressed on the question of farm

said Mrs. Thatcher-"There

has to be a compromise but

have not very much room to

did not wish to tie the Government's hands in its negotia

Mr. Callaghan said that he

prices by Mr. Fergus Mont-gomery (C., Altrincham and The European Parliament's agriculture committee proposal of a 7.9 per cent increase would raise food prices in Britain by

3.5 per cent, he said. Mrs. Thatcher replied: "I can

give you the assurance that we have no intention of supporting

on a person's race or ethnic origin has been abandoned by the Government in its proposals for the 1981 Census of Popula-

of State for Social Services, who laid a draft order in Parliament yesterday to enable the census to take place on April 5, 1981. said: "There will be no ethnic

The Government has also

The proposal that the 1981 census should contain a question on race or ethnic origin was made in a White Paper in 1978. But the former Labour Government said that the form of the question would whether or not the question was

A series of tests and surveys were carried out, the last at Haringey in 1979. The test aroused much controversey and only 54 per cent of the 56,000 households in the area returned their forms compared with the 70 per cent which was expected. meet the Only 14 per cent of the West munities

Asian households returned them with answers to the direct ethnic question all correctly completed Mr. Jenkin said: " It was clear

Indian and 34 per cent of the

from the Haringey test and consultations that the ethnic question was not viable. There was a real risk that the inclusion this question could jeopardise the census as a

He said that the Government did want information on ethnic origin minorities, often living in areas of greatest need where resources needed to be directed. but "this was no way to do it." Other sources of information on ethnic origin were available to the Government, he said. question on country of birth will however be included

in the census, In the past other questions which have aroused widespread public dissatisfaction have been dropped from or not included

However, there have been some in favour of a question on ethnic origin. The proposal was

supported by the Commission for Racial Equality and the Social Research Association, who said that reliable information was necessary in order to meet the needs of minority com-

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ELINOR GOODMAN ON THE UNDERHILL REPORT Crusade to expose the Trotskyists

He believes that they will they must have a very good never gain control of the excuse for not attending meet-Labour Party, but he is very ings. They are advised on the

detering would-be caucuses."

LORD UNDERHILL'S five-year to expose Trotskyists within the Labour Party came to a head yesterday. With the half-hearted consent of the party's national executive, Labour's former national agent published the mountain of evidence he has collected to support his claim that members of the militant tendency are using the Labour Party to further their aim of precipitating a

world revolution.

The 20 documents—all published by Militant itselfstrong support to the view that Militant is in clear breach of the Labour Party's rules. They also suggest that unless the party improves its own organisation and educational efforts among the young, Militant could cause considerable problems in some areas in the future.

Devotion

If nothing else, judging by the rhetoric used in some of the documents, they could deter any ordinary Labour voter from joining their local party for fear of being swamped by the revolutionary outpourings of Engels, Lenin and Marx.

Among the lengthy quotations from Trotsky and Marx, the swipes at rival Left-wing factions and the progress reports from anonymous members like "B" in London and "K" in Basildon, a clear picture emerges of a small, but totally dedicated group with its own policy, propoganda machine, newspaper and organisation, backed up by a number of full-time workers

and a network of "cadres" and "editorial boards" around the country. The group, which probably consists of not more than 2,000 members in all, seems to thrive in the steamy atmosphere of conspiracy and many of the meetings are secret. Only supporters who have demonstrated their devotion to the cause are allowed to attend, if Lord Underhill's informants

are to be believed. Their aim is to create cadres" within the Labour Party which can form the the "germ of the mighty nuclei of a "mass Bolshevic workers' international which party" in the next few years. will, within the next decade, According to Lord Underhill, who dedicated most of his this planet."
working life in the Labour The group
Party to ridding it of what he subjects with
considered to be extreme Leftwing elements, Militant is the "first Trotskyist group to bury waverers. Members are told, full time workers. Lord Under-itself within the heart of the with the sternness which runs hill now estimates membership through all the documents, that

the printing of money. The economics Nobel Prize winner is not beyond using sweeping historical analogies lt's as simple, he says, as it was during the American Civil War, when the Unionists overran the town where the Confederates had set up their printing presses—and thus halted inflation in the South for two weeks until the Confederates could find alternative money printing arrange-

Mr. Healey, though proudly making the point that he was

the first British Chancellor to introduce monetary targets, thoroughly disagrees. He comes out in favour of

on the Labour movement-

members. At present, he

believes, they are an influence in perhaps 60 constituencies.

likely to increase the pressure

on the National Executive from

moderate MPs — particularly those with Militant members

causing them trouble in their constituencies—to expose Mili-tants and make it clear that

they have no role in today's

could prove to be a vote loser in so far as it feeds the "reds

under the beds" stories, though

Lord Underhill deliberately

waited until after Southend

East by-election to publish it

and the documents themselves

as to encourage mass reader-

ship.
Some Left-wingers may also

want to dissociate themselves

from Militant on the grounds

that it gives the Left a bad

name and could lose the party

that, as a "broad church," the

party should be able to accom-

modate such types. Certainly, Militant supporters

Tribunite MPs (whom they

despise), let alone the average Labour voter. For them Healy-

ite is a term of abuse, but it

refers not to the policies of the

former Chancellor but to Jerry

The report shows that the

group has links with others

abroad equally pledged to world revolution. The Labour

Party itself is a member of

to join a new international

become the decisive force on

The group approaches its

Socialist International but a dirty word. It is a goal, and Militant has found it necessary members are instructed about

Left-wing faction.

votes. But other Labour MPs

are not written in such a way

In the short term, the report

Labour Party.

Publication of the report is

and

fuel for a conflict. Professor management and monetary control combined with "some Friedman, proclaiming that monetary restraint is the sort of pay policy." He cites the cases of Austria and West sole condition for lowering inflation, says that govern-ments can halt the march of price rises simply by curbing Germany in particular

him at one point during the debate of being "incorrig-ible," Mr. Healey is loath to avoid the chance of indulging in what Sir Geoffrey, also in a tone of hurt disparage-ment, calls "political knock-

is not against giving a man a dose of quinine if he is suffering from fever. But the present Government's policy for "three years of unlent to giving a man "a pint of quinine for breakfast, a pint for lunch and a pint for dinner and telling bum he's not to eat or drink anything else for three years."

Although Sir Geoffrey somewhat daintily accuses

a mixed policy of demand

Mr. Healey declares that he

extra players to join the tour midway to replace players who One member of the party, England winger John Carleton, already faces losing his teaching

for the tour. But Carleton says he is to the issues, Mrs. Thatcher determined to go on the three-month tour,

On the tour.

to the issues, Mrs. Thatcher repeated that she was "prepared for a compromise, but we have

Nor do the documents reveal much about its finances. Lord

our work among black youth " both in terms of losing votes and "unemployed and student students. For the most part, its claims Some of the evidence in Lord about membership are vague Underhill's report goes back to and surprisingly modest in view 1973 although the most recent of the fact that the claims are document in the dossier refers included in documents which to 1978. Since then, several disillusioned former members were being distributed to its own supporters who would presumhave come forward with more

anecdotal Militant From facts mentioned in the various documents. Lord Underhill estimates that there are political workers at the Party's centre together with another four employees working

at Militant's own print shop.

Threat In addition, he believes, there is one person working on the with eight regional field workers as well as a number of full time paper sellers.

A staff of this size might not

seem to pose a threat to the mighty Transport House. However, party rules forbid any group within the Party from having its own organisation. may argue that the documents 'Its national organisation, just prove he wirrelevant Mill-Lord Underhill claims, is comtant is in the real world and posed of trained "cadres" word not his), area organisations and local editorial boards with a national editorial

board at the top. The groups seem to speak a different lan- also hold training schools, and guage from that of most set up caucuses to work in various spheres, most notably trade unions and trade councils. All this is carried out within the framework of its membership of the Labour Party. Its links within the Labour Party Healy, the leader of another are fundamental to its strategy. The working class, particularly in Britain," one document says, "always moves through its official and transitional organisations first." Entryism in Militant circles is not, therefore,

organisation which it sees as within the Labour Party. The documents are less precise about the degree to which Militant has succeeded in penetrating either the Labour Party or the trade union movement. The latest figures in the docusubjects with a deadly earnest-ness which makes no allowances are for 1975 when Militant was for slackers, revisionists or claiming 600 members and 22

how best to create cadres

Underbill's recent informers say concerned about the damaging precise procedure for attracting they were paying a subscription effects he feels they could have new recruits in articles like of £5 a month for fully paid up supporters and 50p a week for

> ably be encouraged by reports of evidence about rapidly rising membership. In each edition of the "Bulletin"—the organisation's monthly publication—there are areas Taken together, they back the Executive which it—and up reports that Militant has a very strong hold on the Variance decided not to wrong the strong hold on the very st very strong hold on the Young Socialists — which has one guaranteed seat on Labour's

Executive—but in isolation the

numbers seem small

Wales cadre was claiming sup-porters in nine of the 16 parties in the district. It also said that it was sending a few delegates to the Regional Conference, the chairman of the organisa-Moribund constituencies, it stresses elsewhere in its litera-portant that the whole question ture, are prime candidates for of "tendencies" did not get out takeover and every attempt of perspective.

should be made to exploit such Much of ver

situations.

In some areas, it has been more successful in getting representatives on to the local trade.

Has already appeared in various ways over the years. But Lord Underhill has updated his evisentatives on to the local trade dence over the last few weeks.

Councils and much of its recruit. He is hoping that the sheer ment effort has been directed at the unions. In 1976, for example, it was claiming with pride that the most politically significant thing about TASS's annual conference was the fact that a resolution containing Militant's point of view on the economy

was passed. But it has been among young people that Militant claims its biggest successes. In 1978, Militant told readers of the Bulletin that it controlled 22 youth branches in the West Midlands, while in the West and North Yorkshire it was claiming a "massive majority in the regional youth field." Labour rules prevent groups

within the party having their own policies, organisation or separate propoganda machines. They also bar any group which puts up candidates of its own against official Labour ones. This is an offence which Militant—unlike the Right-wing Social Democratic Alliance has been very careful not to commit, although a number of

Lord Underhill believes his documents show that Militant is in breach of the rules on all the other counts and the signs yesterday were that some Leftwingers on the party's Executive agreed and were uneasy about the way Militant was homing in on the unions in particular.

Perspective

Nevertheless, the Executive has repeatedly refused to indulge in what it has claimed would be a "witch hunt" of the Left before. In 1975, Lord Underhill submitted a document on Entryist Activities to

The Executive was hardly keen, to say the least, about Lord Underhill publishing his report yesterday and the In 1978, for example, the East organisation sub-committee may argue against pursuing the mat-ter any further at its next meet-

Much of yesterday's report

weight of the evidence he has

now produced will persuade the Party it must act now to

stop Militant's influence from Yesterday, he challenged the Executive to endorse his view that Militant's views had nothing to do with Labour Party policy and to do everything they could to expose them. He stopped short, however, of demanding their expulsion from the party even though he claimed his evidence showed that they were

The report will be sent to constituencies throughout the country. Lord Underhill's aim is to alert them to the danger Militant poses. Those constituencies with Militant members already active in them are probably only too well aware of the problems created.

in breach of the rules.

More worrying for the Labourmovement as a whole, however, is its failure to attract young people to its own ranks. And this is a concern which all its supporters have stood as members of Labour's sometimes unsuccessful Labour candidates. strife-torn Executive share.

"I adhere strictly to the any such figure—or anything phrase I used after Dublin," like it." Census won't include ethnic origin query

A CONTROVERSIAL question

Mr. Patrick Jenkin, Secretary question."

aboudoned questions on year of entry to the UK and naturalisation or registration as a citizen of the UK and Colonies, and nationality for those born outside the UK and the Irish Republic.

acceptable to the public.

in, the Census.

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Improving short-term money control

SEVERAL major improvements Bank will issue a detailed in achieving short-term mone- discussion paper on this. tary control for up to a year are discussed in a consultation should be retained to guard paper published yesterday by against the possible effects of the Treasury and the Bank of excess liquidity in the banking

brought about.

The Green Paper, entitled The Treasury and the Bank Monetary Control, considers have reservations about the the main instruments for convarious monetary base and trolling the money supply and examines both current features such as the supplementary special deposit scheme (the corset) and the reserve assets :: ratio and special deposits.

Arrangements

It also considers in some detail more radical possibilities, such as forms of monetary base control and indicator schemes under which interest rates are changed automatically in response to changes in the money supply. Such techniques are intended to smooth the growth of the money supply from quarter to quarter.

Discussing present arrange-Bank suggest that the corset is near the end of its useful life, requirement to maintain the 12! per cent reserve assets ratio duced later). appears no longer necessary, as a means either of influencing on the distinction between the interest rates or of affecting the short and the medium-term rate of growth of banks' balance

It is proposed that the ratio sultations have been completed -and new requirements agreed -on prudential liquidity.

The Bank yesterday issued a parallel consultation document on the need for holding liquid assets for prudential reasons.

The joint paper argues that some cash requirement is needed, to act as a fulcrum for the Bank when it wishes to generate interest rate changes. It proposes that the present requirements, which apply only to the London clearing banks, should be replaced by one which

The special deposit scheme system as a whole.

The joint paper says these The problem of short-term changes would leave the way control is defined as essentially open for further developments a question of the way changes after discussion on the con-in short-term interest rates are sultation paper if it were decided to proceed with them.

> various monetary base and indicator schemes which are set out in the consultation paper. particularly about the former. They intend to consult widely on surmounting these difficulties and the advantages of a scheme

of either broad type.

The consultations will take place over the next six months and the Treasury and the Bank will welcome written comments. These should be sent, preferably in the next two months, to either the home finance group of the Treasury or the money markets division of the Bank. with envelopes marked "Consultative Paper."

The Bank will discuss with those concerned, notably the British Bankers' Association, proposals for liquidity requirements discussed in the special paper puband should be phased out as soon lished yesterday and for the as convenient. Moreover, the cash requirement (covered by a further detailed note to be pro-

> The joint paper concentrates short- and the medium-term aspects of monetary control. It the rate of growth of the money notes that the principal means stock and the growth of prices of achieving the objective of and incomes is complex. They monetary control must be "fiscal policy-both public expenditure and tax policy—and interest for believing that they will not rates. These are sufficient to condiverge significantly over a trol the growth of the money period of years. The Governstock in the medium term. But ment's policy is therefore to the time lags in the system are sustain downward pressure on such that they can take up to a prices by a progressive reducyear or so to bring monetary growth back to the desired trend once a substantial diver- of years." gence has been identified. Direct quantitative controls are not an quantitative controls are not an "the first requirement is that alternative, since to the extent the authorities should have the that they do not change interest means to control the money rates, they tend, over time, to supply over the medium term in

Summary of main points

consultative document

• The present cash require-

ment, which currently applies

only to the London clearing

banks, will be applied more

The system of special

deposits is to be retained to

A None of the schemes of

monetary base control with a

mandatory requirement to

hold base assets appear to

give a reasonable prospect of

and might involve severe

practical difficulties. But

whether any difficulties can

on whether an indicator

adjusting the Bank's lending

rate would, on balance, he

Consultation period of six

views are welcomed

be surmounted.

system of

advantageous.

months.

effects of avant

in the banking

desired results

automatically

on

being issued.

generally.

liquidity

system.

 Means already exist to achieve medium-term monetary objectives through fiscal policy and interest rates. Over time, the public sector borrowing requirement to be brought down as a proportion

of national output. Monetary targets continued to be expressed in terms of sterling M3.

• Need to consider possible improvements in monetary control over shorter periods in order to produce smoother growth from quarter to quarter. • The supplementary special

deposits scheme (the corset), has come to the end of its useful life, and should be phased out as soon as is • The 121 per cent reserve assets ratio is no longer

needed for the purpose of monetary control, and should also be phased out in due Adequate prudential stan-dards of liquidity have to be

maintained; and a parallel

The introduction to the Green

ionetary targets and monetary

"The relationship between

policy in the Government's overall economic strategy.

can diverge in the short run.

but there are strong grounds

tion of the rate of growth of

the money supply over a period

The Green Paper states that

affecting underlying monetary authorities to have at their disposal instruments to moderate short-term fluctuations in mone-tary growth as the trend is Paper explains the role of being reduced. Excessive shortterm fluctuations may cause uncertainty about the Govern-

ment's resolve and its ability

to control monetary growth.

Measure

"The main instruments must continue to be fiscal policy and interest rates. The Government is satisfied that these provide the means to achieve its medium term monetary objectives. In particular it intends to bring down over time the public sector borrowing requirement as a proment in monetary control over shorter periods,"

The paper notes that "no divert and change the forms of order to bring down the trend. single statistical measure of the 7858, quallable

conditions and so provide a uniquely correct basis for controlling the complex relationships between monetary growth and prices and national income. "The Government believes

fully to encapsulate monetary

that its monetary policy can best be formulated if it sets targets for the growth of one of its aggregates, against which progress can be assessed.

"As no one aggregate is by monetary conditions it could be argued that there should be targets for several or all. But this would make it much more difficult for the market and the public to appraise the determination of the authorities to meet their monetary objectives. In in interest rates so that seeminconsistent measures might be needed to meet the various targets. The Government therefore believes that targets are best set in terms of a single aggregate.

"If one aggregate is to be chosen for the target, there seems to be considerable agreement that sterling M3 best suits the present circumstances of the UK. It is well understood in the markets. It indicates links with the other policies—fiscal policy, debt marketing policies. policies to restrain bank credit and exchange market manage-ment—and gives a general assurance that the macroeconomic policies available to the Government will be used in ways which mutually support each other in the reduction of inflation. It is also relatively easy to define in terms of the banking system.

Consequently, the Govern-ment intends to formulate the monetary target in relation to one aggregate, to continue to use sterling M3 for this purpose, and to take account of the growth of other aggregates, directing policy to progressive portion of national output. But and sustained reduction in the there may be room for improve- rate of growth of all, although not necessarily by the same

Monetary Control, Command

later date.

by the authorities.

Cash requirement would provide tool for Bank

for an extension of the system under which commercial banks are required to hold cash balances at the Bank of England. This cash requirement would thus become of more general use to the Bank as a means of controlling the money itself a sufficient measure of supply through measures to influence short-term interest

rates on the money market. The Bank and the Treasury also suggests other important modifications to the system of controls: The Paper says that both the supplementary special the short run, the various aggre- deposits scheme (the "corset") gates respond differently and and the 121 per cent reserve with different speeds to changes assets ratio are no longer in interest rates so that seem- required for the purpose of monetary control, and proposes phasing out these instruments. But it suggests that the system of special deposits should be

Announced

Under the "corset" system the authorities set a guideline for the growth of banks' interest bearing eligible liabilities, an important component of their deposits. The target is expressed as a percentage rate of increase compared with the average level of a specified base period. The Bank of England penalises banks which exceed the rate of growth by requiring them to place with it a fixed percentage of noninterest bearing deposits, which increases progressively the rate of excess.

The Chancellor has already announced, in November, that the "corset" should not be viewed as a permanent instrument of control. The green paper does not add significantly to this other than stating that the scheme has come to the end of its useful life and should be phased out "when convenient."

The reserve assets ratio requires banks to hold at least 12} per cent of their eligible liabilities, on a daily basis, in reserve assets. These consist essentially of balances at the Bank of England, securities which the Bank is normally pre-pared to buy in its open market operations, or money at call with the discount market.

The special deposits scheme is a flexible instrument allowing the Bank to call for interest-bearing deposits from the banks determine the holding of at some certain percentage of monetary base assets they would their eligible liabilities in order be required to hold on some to restrain or relax liquidity in the banking system.

and that amount might not the specific merits and discorrespond to the level of the advantages of the present since by the time the banks short term interest rates—the would know their requirement. Bank and Treasury can achieve for the base, it would be too what the paper terms as "the late to change it if the total first requisite of control of the over a year or more." But these currency.

proposals in the Green Paper is substantial swings in the rate of monetary growth not only from month to month, but also from quarter to quarter.

Such precise month to month control is not necessary to achieve the desired restraining impact of monetary growth on increases in prices and incomes, since this is essentially a medium term relationship.

But there is inevitably an advantage in shortening the period in which it is possible to exercise control. "If there were smoother growth of the money supply from quarter to quarter. there would be more complete confidence in the Government's policies, and so expectations could be affected favourably to greater extent-both in the financial markets and elsewhere in the economy."

The main purpose of intro-ducing additional quantitative methods of control to supplement the main instruments has been to reduce the need for raising interest rates, at least in the short term, by causing the banks to ration their lending.

A particular reason for the introduction of the "corset" was the desire to affect relative interest rates—especially those on bank deposits vis a vis other short term assets-to a greater extent than could be achieved via the more general instruments of Minimum Lending Rate and open market operations.

However, there are several drawbacks to such controls. To be effective, such an instru-ment will almost certainly recompetition within the controlled sector and between that sector and uncontrolled institutions doing similar business. There may also be prudential risks as -almost by definition — uncontrolled business will be less regulated by the monetary authorities.

Difficulties

There is additionally the danger that funds are disintermediated — that is, business moves increasingly outside the controlled sector. This results in the chosen monetary aggregate - sterling M3?stating monetary growth.

If the control is occasional and temporary, such costs and risks become less significant. But there can still be difficulties in a temporary system as institutions can anticipate the reintroduction of controls that have been dismantled and so actually precipitate such action The paper says it has at least been possible to monitor the main form of disintermediation under the corset scheme, the But the measurement of dis- proposed new base desired by the authorities methods. Using the basic tortions caused by quantitative requirements, needed to ensure at that time. The situation with weapons—fiscal policy, gilt-controls like the "corset" has that adequate standards of current accounting is similar, edged funding and variations in been made more difficult folbeen made more difficult following the abolition of exchange controls, as UK residents are now free to transact business differed from the level desired money supply-control, say, abroad in sterling and foreign

cannot be avoided whatever new method of monetary controi is introduced. But at least any innovation should not provide a significant incentive to this taking place. Parthermore, the paper says that any change to be implemented invest be consistent with membership of the exchange rate mechanism of the European Monstary

System in case the Government

decided to join.

The present cash requirement system, which the paper proposes enlarging, calls for the London clearing banks to hold balances with the Bank of England amounting to 11 per cent of their eligible liabilities. This cash requirement, tather than the reserve asset fatio, is effectively the fulctum on which the Bank of England works when it seeks to affect shortterm interest rates through its money market operations. The paper suggests applying this requirement more generally by calling for all banks and licensed deposit-taking institutions above a minimum size to hold cash

balances with the bank. The bank will issue a more detailed paper for discussion about the amount, form, and calculation of the requirement.

The reserve asset requirement had its origins in banks' customary holdings of liquid assets for prudential reasons. It was intended that the ratio should be used in conjunction with special deposits - which were introduced in 1960-to mop up any abnormal excess liquid assets in the banking system. Additionally, it was thought that occasionally the ratio would co further than this and require the banking system to seek to dispose of assets not eligible as reserve assets.

However, it has become apparent that the use of joint reserve asset and special deposit requirements presents particular short-term difficulties. The asset ratio distorts the yield relationship between short-term assets qualifying as reserve assets and others. This distortion helps to inhibit the development of a broader market in shorter-term public sector debt which might otherwise contribute to better control of some of the monetary aggregates.

Since the asset ratio is no longer judged as necessary to help influence short term interest rates, the authorities propose ending the requirement. They suggest phasing it out "in tations have been completed on

However, it is proposed that the special deposits scheme should be retained to guard against the possible adverse effects of excess liquidity in the banking system as a whole.

BANK OF ENGLAND DISCUSSION PAPER

Assessing liquidity of the banks

THE BANK OF ENGLAND yesterday published a discussion paper setting a proposed new framework for assessing the adequacy of banks' liquidity. Banks need a minimum level of liquidity, or cash resources, in

order to meet their obligations on a day to day basis. The following is a synopsis of the discussion paper.

There are in principle two approaches to measuring banks' liquidity. The first compares the available liquid assets with either total liabilities or certain categories of liabilities. This "snapshot" approach is intended to provide an estimate of a bank's ability to survive a sudden withdrawal of deposits by utilising its stock of liquid assets. The second approach, which is the one now most commonly adopted by banks in conducting their own operations, increase variability not only of is a dynamic extension of this. hank to meet its commitments

The Bank proposes to intromatic interest rate changes; for duce a test which will be a combination of these two approaches by developing a measure of the likely liquidity needs of a bank, as the sum of two parts: one satisfying its needs for immediate liquidity (e.g., in case of withdrawals of sight deposits); and the other satisfying needs for liquidity arising because of unforeseeable difficulties in financing the

by examining the known flows

of funds both on a particular

In constructing an integrated measure the Bank has distinguished between:

bank's known future commit-

• liabilities and assets which version at short notice into cash assets because they are not at

tractually on demand or at

or coefficients are tentative maturity, Northern pending working experience of the integrated test, but as a than five years to maturity, start, and on the basis of exist. Local Authority and public ing statistical information, the Bank proposes the following: Expected Liquid

Maturity -liabilities uncertain from banks up to 1 month *************** standbys given to banks liabilities on maturity - certain business:

Up to 8 days ... 8 days to 1 month ... 1 to 3 months 3 to 6 months 6 to 12 months over 1 year

e.g., Treasury Bills, or CDs.

The integrated measure which the Bank proposes involves discount at the Bank of establishing for each bank an estimate of its likely need for liquid assets which will be to maturity, Market loans to banks up to one month, secured proportion of its gross maturity money at call with recognised uncertain liabilities, together stock exchange money brokers with a proportion of any net and gift-edged jobbers, loans to and gilt-edged jobbers, loans to liability position arising from Local Authorities up to one its maturity-certain liabilities mouth, non-eligible bills with and assets in a range of time less than three months to bands, with the proportions maturity, Certificates of Deposit less than three months to relating to the net liability and certain marketable promispositions in the nearer bands sory notes with less than three being larger than those in the months to maturity. British Government

The proposed proportions between one and five years to Government Stocks with less

> The Bank considers that, for the protection of the system as a whole, banks should be re-100 quired to hold part of their estimated need for liquidity in the form of primary liquidity. Sterling assets which, in the opinion of the Bank, qualify as primary liquidity are indicated by an asterisk in the list above. In order that banks are able to use primary liquid assets when necessary, the requirement will be expressed as a norm; that is to say, it would be satisfied by banks maintaining on an average basis over a period the required level of pri-

Included in the proposed assets are holdings of bills addition the Bank will wish to eligible for re-discount at the

The Bank has concluded that Treasury all banks should hold some primary liquid assets, but that it is reasonable to look to this requirement being applied more stringently to banks nearer to the centre. One way of achieving this would be to set differential requirements. The Bank would, however, prefer to set the same requirement for everyone, but for licensed deposit-takers to allow in addition claims on recognised banks maturing within eight days to qualify as

> estimated liquidity needs of each bank should be represented by primary liquidity.
> The Bank has concluded that the sterling business of UK branches of foreign banks should be treated identically with that of UK banks. The treatment of the foreign currency business of branches of foreign banks is more difficult. since this business is usually much more closely integrated into the parent's operations, and is often monitored by the parental supervisory authority.

For the moment and pending further international discussion, in those cases where the Bank is satisfied that adequate reporting and control systems exist between the UK branch. its Head Office and the relevant supervisory authority, it proposes to do no more than be in a position to observe the foreign currency operations of the branch on the same basis as for UK banks. .

The Bank recognises that it will not be possible to implement these proposals in full immediately. In particular, there are large gaps in statistical coverage. It will also be necessary to discuss both the frequency with which primary and secondary liquidity needs should be calculated and the way in which holdings of liquid assets should be monitored. In consult on the identification of foreign currency assets appro-

Indicator systems triggering changes

also discusses indicator systems
—under which sterling M3 or the
monetary base would be used to
trigger changes in the Bank of
England's lending rate accordthe desirable to base the figures
the works of the size of the following day (Friday); currently
the size of the tender is
announced a week in advance.
The extent to which the
matic system when an adjust

-the public. The banks main-

either because of a mandatory

requirement or for prudential

multiple of the base.

the desired path, changes in of England on a sample basis lending rate would follow automatically unless specifically overridden. A difficulty with these schemes is the risk that changes would be triggered by erratic fluctuations or per as fallible as the data on which versely by external flows. There it is based. There are problems would therefore need to be of accuracy of measurement and some power to overtide the of seasonal adjustment, which trigger. There is also no guarantee that the interest rate changes would be such as to produce a steadier growth in sterling M3 in line with the

In detail the paper points out that under an indicator deviations of sterling M3 from system related to the monetary its target path. This scale base, if the divergence between would be varied as experience the actual and the target monetary base could help determine short-term interest money figures were used, the rates, then the divergence Bank would every Thursday between the actual growth of announce the money figures for sterling M3 and its intended the Wednesday eight days trend could be used directly earlier and/or the moving and thus more appropriately average (of, say, four or five for this purpose—as well as weeks figures) being used. The being operationally simpler. Bank would also announce MLR. Moreover, there would be as at present, together with relatively little time lag any change triggered by the between the availability of money figures. MLR plus or figures for such a monetary minus this change would be base and for the money supply the operative rate for lending

Under a system related to following week.
sterling M3, if the scheme were The authorities would also

requirement for cash balances would depend far more on the

were left to dictate both the documents suggests that a quirement to hold base assets moneytar base indicator scheme would also be difficult to operate —as opposed to a control syswith precision, and would be tem-might be more pratic- unlikely to produce the desired results. Examining in detail possible

base scheme is that banks keep at least a known proportion of their deposits in base money. This can be specified as bankers' system would not be practicable deposits at the central bank and may also include notes and coin held by the banks and/or growth of the money supply. tain deposits in this form

money in existence and thus the total growth of the money supply, since the banks' balance ets cannot exceed a specified In this case, if there is a if the present tendency for the money supply to grow too fast, banks compete in an effort to secure the base assets which they require to more general one-banks'

way. But the system would be

would be serious with a newly

Such a scheme might broadly

work in the following way:

there would be a pre-set

graduated scale of adjustments

to the Bank's lending rate to

On the assumption that weekly

was gained.

introduced statistical series.

base system for money supply of money supply growth back control in which the markets towards the desired path.

The concept of a monetary

If the authorities elect to use the monetary base as a direct means of control, they will regulate the amount of base

THE GREEN Paper says there This approach allows the would be severe practical diffi-culties in running a monetary rates necessary to bring the rate

The paper suggests there is timing and extent of interest no case for any kind of monetary base control scheme which However, the consultative does not entail a mandatory re-

schemes which do not involve a mandatory requirement, the Green Paper says that such a and would also be unlikely that it would lead to a more even In such a scheme, where the bankers' need for base money stems from their own requirements for operating their business rather than from a set of requirements laid down by the authorities, the requirements for

base money would have to bear a fairly stable relationship over time with banks total liabilities. "With the present financial structure in the UK, this relationship is most unlikely to be achieved." The paper says that London clearing banks were removed—and not replaced by a

type of business than on the size of balance sheets.

major change in the structure

of the money markets. Such a change would need the Bank of England to withdraw its support for the market as the lender of last resort, thus making banks balances at the Bank the only effective form of primary liquidity. This type of close relationship could be established only at the

Difficulties of regulating supply system

making for a less flexible money market. Even if this were done, it would be doubtful if the growth of the money supply could be controlled more evenly under such a scheme. The banks' liquidity require-

In practice, the authorities con-

this overall limit, which could

also operate below MLR, there

could be a number of triggers,

say three of 1 per cent each.

Deviations in monetary growth

which left the system per-

sistently operating towards one

end of the range of official rates

These arrangements should

provide added assurance that

interest rates would be adjusted

promptly in response to a diver-

gence from the target rate of

monetary growth, and that such

until the money supply came

course of short-term interest

rates would be likely to con-

tinue to affect the gilt-edged

market periodically in the short

Uncertainty about the future

itself to be changed.

back on course.

ments are not absolute and would, in the absence of a mandatory ratio, vary somewhat from time to time. For instance. if the banks' primary liquidity ratio moved from 10 per cent to if the present mandatory 9 per cent over a period, it requirement applying to the would permit the percentage 9 per cent over a period it money growth to be some 10 percentage points more than the growth of the base over that period.

were ready to be used in this the system at the start. Within

total level of transactions and control schemes with a manda- balance sheets of all the banks tory monetary base require on one make-up day would ment, the Green Paper examines determine the holding of For a tolerably stable relation. three variants for expressing ship to exist, it would probably the relationship between the be necessary for the banks' hold. base and deposits. All these ings of the base to stem from schemes would involve practical than for transactions balances. doubtful whether any would required on a particular day authorities broad view devised to establish such a relation. The three variants are:

So the amount of assets The paper sets out the account of assets the paper sets out the devised on a particular day authorities broad view devised would be pre-determined by features of a monetary control what has already because

● Lagged accounting—as in the U.S.—where current base requirements are fixed by refer-

• Current accounting—as in the present reserve asset ratio where required base assets relate to the same make-up date as the relative deposits. Lead accounting—where

cost of institutional changes the holding of base assets would put a limit on deposits at some future date. The paper says that lead accounting would be attractive as it would give a warning about

the immediate future development of the money supply as forecast by the banks. But this would depend on the ability of banks to predict their future balance sheets and to control them to achieve that forecast. This would be difficult given banks' uncertainty about calls on their facilities—both overdrafts and term loans. Lagged or current accounting

requirements would also run into problems. In the case of Turning to possibilities for a lagged requirement, the total

THE CONSULTATION paper to give a significant time announce the size of the the basis of one month's figures,

England's lending rate according to a predetermined formula.

If the path of money supply or the base was different from the bas -although they are still experisider that, at most, 3 per cent short term interest rates but and assesses the ability of a mental - and further work above MLR might sensibly be arguably of the monetary aggre-

would be required before they the largest figure imposed on gate itself. It would seem desirable that there should be a power for the day and in the future. authorities to override autoexample, if the Government decided that the correct policy response to the growth in the money supply deviating from the target was a fiscal one, would suggest a need for MIR rather than an interest rate one, particularly in a pre-Budget

period. Any automatic system linking the Bank's lending rate to the money supply would of course preclude the use of the authorities' influence over the interest adjustments would be continued rates for any other purpose. It would, for example, be impossible to use short-term interest rate changes as a response to the strength or weakness of sterling,

The difference between the present discretionary system and an automatic system with The main advantage claimed override is that the authorities for such an automatic arrange- would have to justify delaying ment over the present one is a change in either direction, that it could reduce what may rather than the present situabe a bias towards delay. The tion where the presumption is causes of movements in the that the authorities must justify monthly supply are frequently making the change, particularly difficult to assess confidently on in an upward direction.

fixed maturity date, but special deposits).* call money ment of banks liquidity to dis-which can be mobilised with the London Discount cuss eligibility. sooner because they are nor- Market Association,* UK and The Bank has concluded that mally readily marketable- Northern Ireland

made up of two components-a later bands.

Asset Cover

Gross market deposits Irrevocable

The key characteristics of a liquid asset are that it should liabilities and assets which carry negligible credit or are maturity-certain; e.g., counter-party risk: and that it fixed-term deposits and loans should either be very close to with fixed maturity dates its maturity or carry minimal or contractual repayment forced sale risk-i.e., that it should always be capable of conare maturity-uncertain; e.g., at or close to its balance sheet-deposit liabilities con-value.

On this basis, the Bank pro- composition of primary liquid call or short notice which is poses that the following should customarily waived, and be classified as liquid assets for loans in the form of over- the purposes of the integrated Bank of England. The Bank test: cash, balances with the proposes to take the opportunity priate for inclusion in the def-

Local Authority and public corporation marketable securities with less than five years to maturity, gold, and irrevocable undrawn standby facilities from other banks (possibly identified by payment of a fee).

mary liquid assets. Special deposits — which for monetary policy reasons will continue to be required to be held on a daily basis-will NOT be liquid the free disposal of the banks.

assets which may have a Bank of England (excluding of its review of the measure-

بكذامن المجمل

to the discount market in the

primary liquid assets in their hands. On this basis, the Bank proposes that 40 of the total

nition of liquid assets.

British independents in the thick of it

may come from a group of exploration companies.

other exploration stocks. They minnow-sized British independent oil exploration companies.

Cluff Oil, says: "We are rather with glamorous ratings often the same of the same After nearly a decade of playing like the film industry in a sense. on the sidelines, this new generation of British oil explorers is cious of a company which does coming into its own.

Although the two dozen small companies have achieved only a tion as it is for making a but they remain a gamble.

3 per cent share of proven oil movie."

The minnows of the oil to reserves in the North Sea and

The smaller British independences may recognise that it merely 1 per cent of natural gas. the current political climate for British oil groups is making them most attractive partners for established majors seeking a presence in the North Sea.

The small independents, which took stakes in only six of the 42 blocks awarded in the Sixth Round, are being encouraged to participate more fully in the Seventh because of the Department of Energy's stated preference for British rather than foreign oil groups. These small companies, few though they are compared with more than 10,000 independents in North America, are a remarkable phenomenon in that they have often grown from scratch with firm and innovative financing from the normally cautious City.

The small companies hope to play a major role during the next decade though several feel that the pace of North Sea development is currently being that the plant only 70 being kept too slow. Only 70 blocks, each about 55,000 acres in size, are expected to be on offer in the Seventh Round, compared with 2,772 allotted since 1964. "We should like to see the exploration tempo increased," Mr. Roland Shaw, chairman of Premier Consolidated Oilfields,

Financing for the exploration companies has traditionally much as a major international been difficult to arrange, group such as Dunlop. Although the rewards can be The Siebens share p

SOME OF the hottest action in high, so are the risks and many fell 349p to 590p in one week, the imminent Seventh Round of of the orthodox funding sources a drop mirrored to a lesser North Sea oil block licensing are not usually open to small degree by the performance of

The public is naturally suspinot have a proven track record. It is the same for oil explora-

are recent creations of individual entrepreneurs City institutions; others have a long history of mineral exploration which has led

them to the oil business. Their views are represented through the Association of British Independent Oil Exploration Companies (BRINDEX), an erganisation founded five years ago and representing 28 com-

Earnings

BRINDEX acts mainly as an umbrella organisation for companies heavily involved in exploration, particularly in the British offshore area. These groups may be small in terms of staff and working capital, but their enormous earnings potential has created huge stock market capitalisations. A few weeks ago, Siebens Oil and Gas (UK) share price was trading at 930p, which capitalised the company at £84m — about as The Siebens share price then

based on an unproven ability to find oil in trying conditions somewhere off the UK coast. Investors have done very well out of them over the past year,

The minnows of the oil busi-The smaller British indepen- ness may recognise that they dents are a melange of companies with widely different whales at any time, but equally pasts and profiles. The two they see the merits of co-operagiants, BP and Shell, clearly tion. The bidding consortia for belong elsewhere, but there are the Seventh Round are now companies with features almost fully assembled and, similar to an oil major, such as when the partnerships are Ultramar, as well as groups announced, they will mostly involved almost exclusively in contain a sprinkling of inter-North Sea exploration. Some national majors and small national majors and British independents. •

Consortium members are cagey about the precise composition of the groupings, but Premier Consolidated, example, has put together what will probably be a typical cocktail. It will be leading a consortium which also includes a major national oil company and a group financed jointly by institutions, a large foreign refiner and a merchant bank.

The links between the individual companies have been forged ever 10 years of co-operation. The sometimes idiosyncratic men who run the smaller companies place great store by personal relationships both within the industry and with financing institutions. The bonds may be strengthened by consortium companies, such as the Cluff Charterhall CCP venture or by strategic equity before it shows any return. If and the role to be played in the consortium companies, such as before it shows any return. If and the role to be played in the Cluff Charterhall CCP venture of backer could lose the whole of National Oil Corporation. stakes. Premier, for example, his investment. It is a kind of LASMO therefore share a significant interest in financing unique to the exploration and Scottish Marine Oil tion business.

London and Scottish Marine Oil tion business.

London and Scottish Marine Oil tion business.

London and Scottish Marine Oil tion business.

LASMO therefore a language short-term ad hoc financing from shareholders, By January 1976 LASMO's development facilitate communication by financial obstacles can be over- work in Ninian had advanced sitting on more than one come and how the obstacles to the point where it could



Algy Cluff of Cluff Oil: the industry.'

hard to penetrate.

The companies in this select group have in common a back-ground which has imposed considerable strains imaginations of both their own finance directors and City institutions. Unlike an oil major, which finances exploration through cash flow from its other activities, the small company has to cast around for long-term outside investment. Backers must be prepared to put up a large slice of initial capital and to wait for up to ten years



Mr. Roland Shaw of Premier Consolidated: "We should like . . . the tempo increased."

complicated structures pany matures. The group was founded in 1971 in co-operation with Ranger Oil, a Canadian company and Cazenove, the London stockbrokers. The initial capital of £12.8m was sufficient to finance exploration, which produced a substantial find in the Ninian Field in January 1974.

At that point LASMO needed to find huge sums to meet its development costs. The banks were reluctant to help because of the uncertainty surrounding both Petroleum Revenue Tax Newcomers may find themselves change as the com- issue £75m of loan stock, Round commitments.

holders a direct interest in royalties from the sale of Ninian oil.

The company used its £75m to repay borrowings and, still without any cash flow, it succeeded in obtaining a stock market listing in July 1977 through the issue of 8.5m shares. The group was by then in a position to obtain then in a position to obtain bank borrowings against the collateral of Ninian oil. Two years later, LASMO was producing oil from Ninian and generating enough cash flow to contemplate paying dividends and taking over another com-pany, Oil Exploration.

In the past decade, the financing process has become easier. Stockbrokers and banks have become more experienced in packaging companies and the banks will lend at an earlier stage: oil is bankable as soon as it is discovered or even when seismic reports are encourag-

Whereas LASMO obtained a full listing for its shares in 1977, most companies now obtain a quotation under the Stock Exchange Rule 163(ii), which requires less detailed disclosure. A new category, 163(iii), has recently been created and was used last month by Berkeley Exploration, an off-shoot of the KCA group. The issue was oversubscribed 40 times, a far cry from the mid-1970s when LASMO was

struggling to find support, Rights listies have become a common method of raising money. Last month Premier Consolidate made a £4.2m cash call which was 97.2 per cent subscribed, rapidly followed by a £3.24m issue from Cluff. In each case the companies were stoking to meet their Seventh

rates. It also needed to add a ing funds was more difficult, of crude and was acq sweetener by offering stock- LASMO created additional Premier Consolidated. problems for itself by not using a financing technique known as has been surprisingly farming out. Stated simply, it Most companies have s allows a company with an exploration interest to sell part of its holding to another company in exchange for the funding of exploration or develop-

ment costs. Premier Consolidated Oilfields made a profit by farming Investors have witnessed out six wells which subseally a repeat performance. quently were found to be dry. the past few months. So The British investment trust about small oil compa movement has been perhaps the easily buoyed by rum most forward agent for provid-ing financial backing to small oil companies. By giving the companies financial support. the investment trusts returning to their original 19th century role as providers of investment capital for British

entrepreneurs. Investment trusts can buy directly into small oil companies or they can take a more indirect approach.

City's role

Another side to financial packaging is the role played by mer-chant banks, such as Barings and Kleinworts. Barings, with significant holdings in Cluff Oil, believes that the City has an important role to play in North Sea exploration. "Merchant Banks should be involved in bringing consortia together for the block allocations," says Mr. Derek McLennan of Barings.

Despite the promise of generation of small, UK Seventh Round exploration, the oil companies is springing Despite the promise of oil business remains, at best, a chancy proposition. The history of North Sea exploration includes besides the winners a number of companies which £10m for each of two new foundered ignominiously on the continental shelf. Ball and the Seventh Round. Other Collins was set up in 1966 as a arrivals are expected si UK-based oil exploration group. Where will they be in 199

But the number of

impressive rate of growth over the past years, though it has share price trebled to £ 1975, only to collapse to colossal finds, which ma

illusory.
But even though some gloss may recently have off the glamour compa the oil exploration sect last decade has seen imp evolution.

Several small indep are now on the verge of and Charterhall are tw panies about to pass from to-mouth exploration in flow as a result of their in the Buchan Field.

has taken ten years to but it has made LASMO. Others will almost co be bought out by larger as soon as they strike a find. Yet others may medium-sized integrate companies with down interests as well as explo For a few unfortunate panies, a series of dry may spell disaster.

existence. At Hoare Gove London stockbrokers, Mr. McGregor reports that hi panies which will be bidd

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BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A.

Engineering and manufacturing: Industrial Cleaning Maintenance and Allied Services

INTERIM STATEMENT (UNAUDITED)

	Half Year to 30th September Year to					
Group Sales	-1 <i>979</i> £'000 7 . 938	-1978 £'000 6,739	31/3/79 £000 12.732			
C.Ook Jeses			12,732			
. Group Net Profit						
before Taxation	, 321	274	584			
Extraordinary Item	·	-	(12)			
Corporation Tax at 52%	(167)	(143)	' (196)			
Group Net Profit						
after Taxation	154	131	376 .			

The Directors have declared an interim dividend of 5.5% (0.275a) per share), to be paid on the share capital as increased by the one for ten scrip issue made in November, 1979. Last year's dividend, after adjusting for the scrip issue mentioned above, is effectively 5% (0.250p per share). The dividend will be paid on the 31st March. 10, to shareholders on the register of members at 20th March, 1980.



Brandon Way, West Bromwich, Mest Midlands B709PG.

var that never ends

We British are a peaceful people, When a war is ever we like to consign it to the history books - and forget it. But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do. This is where Army Benevolence steps in. With inderstanding. With a sense of urgency ... and with tractical, financial help.

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for soldiers, ex-soldiers and their families in distress Dept. FT. Duke of York's HO, London SW3 4SP



"One notices some people fly higher than others, even before they get off the ground." British airway.

Together we make travel easier.

CONSTRUCTION

Services put in faster

bined with Vantrunk Lion in Engineering in Harlow to become known as BICC Van- locking system. trunk, thus creating a worldwide facility for its range of strength somewhere between equipment.

pany's three factories pro- techniques which enable it to everything connected with cables from the smallest allow it to be delivered in kit clip, by way of Leprack form for assembly overseas or cleats, ties and perforated tray, to the largest As with Vanrak, there is a Vantrunk heavy duty ladder. limned range of standard Immediate result of the new merger is intensification in the in Vantrunk or Vanspan can be research and development of made to order in Vanlad up to

First genuine improvement elbows and risers, and may in channel type cable support replace them, says the company, systems since their invention if they prove to be commercially is how the company describes Intelok which consists of steel channels and interlocking

This is designed for applica-

TRANSPORT Black box for diesels

ONE OF the main problems in injection pressure and delivers the integration of electronics to it, but with timing and fuelling diesel engine fuelling lies in the development of the right sensors sophisticated electronic system. and actuators, according to Dr. may prove to be the most cost-B. A. Jarrett, technical director effective, Dr. Jarrett said, of Lucas CAV.

Although sensors for measur. ling pump speed and advance ing parameters such as engine position would be obtained by speed and temperature were means of sensors and taken to available, special sensors must an electronic control box. be developed for measuring the timing of injection and the quantity of fuel injected into each cylinder, he told a Detroit audience recently.

Major programmes to develop this special hardware had been under way at Lucas CAV for several years. One programme resulted in the high speed, high force actuator called the Helenoid, described in 1979.

Lucas believed that a "brainless" distributor pump, that is, Way, London W3 78S. 01-743 one which just raises fuel to 3111

security is where tions required on support framefor all types of work mechanical and electrical installations and requires only a spanner to erect on site with- VERSATILITY AT less cost is out the need for drilling or the claim for the ME29 inter-

welding. It is a square channel system with dimensions of 41.2 x 41.2 mm, made from 2.65 mm thick material (fully compatible puters of Britain. with the standard Leprack system). The return lips on THE CABLE support division the channel, however, are of BICC Components has com-servated and when they are engaged with the matching Vantrunk teeth on the special channel nut arlow to they form a distinctive positive

A fourth cable ladder (in and pipe support Vanrak and Vanspan) has been introduced. Said to embody Joint output of the com- completely new manufacturing be sold at a realistic price yet even on site. it is called Vanlad. sections, but anything available new products, says the com- 600 mm in width. Also, articupany, which has just launched lated straight sections are Intelok and Vanlad. available as substitutes for

BICC Vantrunk, Edinburgh Way, Harlow, Essex (0279 24652).

Signals proportional to fuel-

There, they would be com-

delivery and timing for optimum

microprocessor.
Lucas CAV, POB 36, Warple

Dehorah Pickering

Existing users of 2903/4 can move to the ME29 with existing programs. ICL expects about half of the ME29 sales to happen this way. Once installed, says ICL, they

processing, word processing, stations with displays to be significant strategic develop stal it. teleprocessing, networking and connected (12 on direct data ment for ICL in the 1980s, hint-

Supporting the launch of ICL's new ME29 medium computers is this brand-new automatic

plating line for printed circuit boards at the company's Kidsgrove factory recently brought

into production,

visual information extraction. entry) with some 50 pro-ing that similar products will Colour monitors are used to grammes, and will permit ME29 follow in other areas of the support these activities and to to operate as part of a range in ME29 "we have a price operate private Viewdata distributed processing network advantage against IBM at all facilities on software being or as a satellite to both ICL and levels of comparisons." he machines facilitate the covering of both large and small jars, the cappers being situated at either end of the jar filling Capacity for capping and fill-ing what are admittedly difficult

UK launch prompted by European success

sidiary of NatWest-is ready to

without interruption to the on-

line service to brokers and security, as well as internal systems design is continuing on codes and their own texts and

• SERVICES

Output signals are then taken coupled with a major move, to actuators to set the fuel Centre-file—major service sub-

conditions. Maximum fuel launch an extensively improved delivery curve as a function of service to London's stock-

a function of speed and load Installation of an IBM 3032 would be in the memory of the and 3033 has been completed

latest machine, the Q1 Microlite, application software so as to will be shown at Computermarket in London (March 25,

actively marketed in Europe before the NEB agreement and dual floppy discs, an eight inch some 600 have now been printer, keyboard and a 12-line installed there. Apparently plasma display of great clarity, they found more ready It is designed for business data acceptance there than in the

being made to the stock-file

giving users many new facilities

including the ability to carry out extensive share research.

They will be able to maintain

alternatives to the general infor-

Initial UK market thrust will

conductor company. In 1977 a be at original equipment manu-tributed data base: up to 64 design using bubble memory facturers, but about £0.5m is of the units can be connected was supplied to NASA and the currently being spent on together to form a powerful nettackle end users in the summer. The Q1 Microlite, which costs from £7,000 upwards, is a par-It is interesting that these ticularly compact unit which stations to meet their needs, machines had already been occupies little more space than Missellie Nifety from man a typewriter and has built-in guages usually associated with

work with the database distributed, or they can be connected to a remote mainframe the database of which will poll the work Microlite differs from many

larger :- mainframes.

Ql Europe is at 52 Jermyn Street, London SW1Y 6LX (01-

processing, word processing and scientific computing and is some-

works fast

90 jars per minute,

PACKAGING

high speed

FAST filling of jars is one

thing; fast filling of jars for

vacuum preservation of a range

of delicately-flavoured foods is

a different proposition.
Goodfare Products of Man

chester, which claims to be the

largest smoker of salmon in

Europe, and which produces

year of a whole series of foods

and condiments, had to go in-

house for the best solution.

the production line for filling

and capping container jars was done by the company's own

chief engineer, Mr. Colin Evans.

It took three months to design

and assemble the twin-track

arangement and a week to in-

products from sauce tartare to

rollmop herrings-runs at over

Further details from Good-fare Products (Manchester), Morton Road, Middleton Junc-

tion, Manchester, 061 643 5252,

Initial design and assembly of

14m vacuum jats 2

filled at

around

Vacuum jars

microcomputers in providing RIDAT Model 2412 has a concompilers for higher level lantinuous motion conveyor tinuous motion conveyor system, enabling it to operate at 5-20 cycles per minute packing products which would jolt out of position on an intermittent motion machine.

The only manual operation is placing the products on the cards by the operators. All other stages of the skin packaging process are completely automatic from loading the cards on the continuous conveyor to the discharge of the completed, cut-out skin packs at the other end of the machine. Automatic controls ensure precise repeatability of 836 9244). each stage of the continuous process throughout the longest

(3 in) on the 610 x 305 mm and reject the rest. (24 x 12 in) card, film width Seven batch sizes and card size being stan-can be set, or the m with Euro standard hang hole exceeded.



if required. Low cost cutting

tools. are used. Cards are stacked in magazine on the card feeder from which they are removed automatically one by one and laid on the continuous motion conveyor at the beginning of the loading section. Products are placed on the cards by operators. There is access for loading from both sides of the conveyor, and the number of operators will be determined by the products to be packed.

Film is automatically heated Filling takes place at three and drawn down on to the loaded card as it passes through points along the track into the gallon, 60 oz, 40 oz and 10 oz the vacuum-forming area, the Two vacuum capping drape table reciprocating to permit this continuous motion. A reciprocating crush cutting head separates the cards into individual skin packs, which then travel to the end of the

conveyor for discharge. The automatic card feeder is self-contained, apart from the power source. As it has its own vacuum supply there is no possibility of interference with the vacuum stage of the skin packaging process itself. The rear of the magazine is open. making it easy to recharge with cards while the machine is

running. Ridat Engineering, Fishponds Road, Wokingham, Berks. RG11 2QE, 0734 785333.

Counts and wraps coins

ANY DENOMINATION of UK coinage with the exception of a 50p can be separated and counted at rates up to 1.500 per minute and then wrapped into rolls at about 15 packages/min using the Clory model WL-1 now available from Advanced Technics and Systems, 55, Palmerston Road. Harrow, Middx. HA3 TRR (01-

The operator merely loads the 4,000 coin hopper which feeds the centrifugal separator, a Products can be packed up device which can be set to to a maximum height of 76 mm select a particular denomination

Seven batch sizes up to 100 can be set, or the machine can Cards are auto- be adjusted to wrap coin rolls in matically cut out with rounded six sizes up to 50 coins provided or square corners, complete the roll length of 106 mm is not

will need no professional computer staff on site in order to carry out all normal data designed by the Thorn group. other makers computers. The operating system, called Company chairman, Philip London, SW15 1SW (01-788, Chappell, sees ME29 as a 7272).

FOUNDED late last year with the help of £5m of NEB money to market and in due course manufacture the microcomputer products of the U.S. Q1 Corporation in the UK, Q1 Europe is now to formally 26, 27). launch the machines having established itself in London, Southampton and Manchester for sales, servicing and software support purposes.

COMPUTING

to woo

mediate-sized business com-

puters launched worldwide

yesterday by International Com-

The machines are a replace-

ment of the eight-year-old

2903/4 models of which 3,000

Starting at £35,000, with a top

of the range price of £4m, they

will be about 40 per cent cheaper but offer five times

the through-put of the machines

have now been sold.

History of the Q1 computer dates to 1972 and the initial production used the first Intel 8080 processors in close co-operation with the semi-

they

Centre-file expands its support of London brokers WITH AN expenditure of about week for the time being. Two

pared with the driver's demand flom behind it on two new ultra-fast laser printers and a tions links are being improved and other inputs, such as engine massive computers and impormass data store have also been and computation and data temperature and boost pressure. tant supporting equipment, implemented. Several improvements are over these. In valuation work, a distincsystem aimed, in general, at tion will be made between maintenance of portfolio records and the use made of them. This will clear the way for capital gains tax computations and a whole series of valuations from cur- microfilm or fiche, the services mation held against each rency to 24-hour operations.

This is not the end of the programme by any manner of these machines for one day a opinions about given securities. means. But, apart from the London E2

Terminals and communica- Stock Exchange operation, Centre-file continues to support and expand its on-line building society services and the massive payroll operation which is the largest in the UK—and earns Centre-file a very respectable proportion of its revenue.

Meanwhile, and despite the fact that much of the output for users at Centre-file can be on provided absorb 12 tonnes per day of print-out paper. Centre-file, 75 Leman Street,



Electric heating saves Pretty Polly £20,000 a year

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With existing drying equipment approaching the end of its useful life, Pretty Polly's Group Electrical Engineer needed to find a replacement which would give the necessary technical performance and achieve savings in energy costs if possible. He talked to East Midlands Electricity Board's Gerry Pilkington who recommended electric RF heating as a possible solution. A visit to a factory using a similar electric system convinced Pretty Polly that it offered real advantages. They were put in touch with Pye Thermal Bonders who successfully tendered for a purpose-built conveyor unit.

"With the new equipment we are not only getting the output we want and experiencing fewer rejects" says Brian McMeekin "but, we are also achieving an energy cost saving of £20,000 a year on one process alone, and that means a payback on our investment in under two years"!

Left: Brian McMeekin, Managing Director of Pretty Polly Limited (centre) discusses electric drying with Fred Anderson (right) his Group Electrical Engineer and Gerry Pilkington of East Midlands

Right: The compact new electric Ri drying unit installed at the Suttonin-Ashfield Pretty Polly factory. Another unit is now on order for the Killarney factory.



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- EARLY, REDEMPTION In accordance with classe 300, of the notes "ESCOM" has ele its option to repay the balance of U.S.228,500,000 of the 21st April, 1980.

All noteholders should present their page together with

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NOTICE IS HEREBY GIVEN that

NOTICE IS HEREBY GIVEN that a grass dividend on the Participation Certificates of fis.4.50 ifour fioring fifty coals) will be payable in Steeling on or after 1st April 1980 egainst presentation of cospon No. 30.

The dividend will be payable as inflows, subject to the provision of the appropriate Netherland to the appropriate Netherlands of the appropriate Netherlands in the provision of the appropriate Netherlands without the contract Kingdom income Tax. Let to the provision of the appropriate to the provision of the provision of

Tax agreements, where controlled in the controll

COUGORS will not be accepted through the post. ROYAL EXCHANGE ASSURANCE. ROYAL EXCHANGE ASSURANCE. London ECS.

SPANISH 4% EXTERNAL LOAN (1974 1980E)

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BOND DRAWING

CHILEAN 45% LOAN 1895

CHILEAN EXTERNAL LONG TERM DEST-LAW NO. 8962

CHILEAN 45-% LOAN 1395

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 1th March 1980, attended by Bridget Mary Elison of the arm of John Veol & Sons, Notation of the arm of John Veol & Sons, Notation of the arm of John Veol & Sons, Notation of the arm of John Veol & Sons, Notation of the arm of John Veol & Sons, Notation of John of

Box 5727 By MANUFACTURERS HANOVER LIMITED

EAST RAND PROPRIETARY



NOTICE IS HEREBY GIVEN that Pays duly authorized, the relative coupons may be presented at the Offices of Hollandre Koopmansbank N.V.. Sarphanistraat 148. T017 WS Amsterdam, for Payment on after April 1st 1980 is per cent First Cumulative Preference Shares No. 102, due Abril 1st 1980 at the rate of 82.25.

S per cent Second Preference Shares: Coupon No. 102, due Abril 1st 1980 at the rate of 82.25.

Coupon No. 102, due Abril 1st 1990 at the rate of 83.25.

Ordinary Shares: Coupon No. 30 at the rate of 8.25. Cousen No. 30 at the rate of 8.35.50.00.—
25% Durch Dividend Tax will be deducted. Residents of the United Kingdom and other countries with which The Netherlands have concluded a Tax agreement, are advised to consult their bankers in order to othain their dividends free or party free of Durch Dividend Tax. Coupons forwarded from the United Kingdom will only be accepted if accompanied by the tsual declarations required in accordance with the repulsations in force in the Notherlands.

By order of the Soard.

The Management HOLLANDSE KOOPMANSBANK N.V.

Sarphatistraat 14a 1017 WS AMSTERDAM March 20th 1980

5% PERMANENT DEBENTURE NOTICE IS HEREBY GIVEN that the Transfor Register will be closed from 11th April to 30th April 1980, both dazes THE ROYAL BANK OF SCOTLAND LTD.

16 Old Broad Street. London EC2N 1DL. SIAM COMMERCIAL (CAYMAN)

USS20.800.000
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PERUVIAN NATIONAL LOAN 6% External Sinking Fund Bonds 1928 (Second Series)

S.G. WARBURG & CO. LTD., announce that the semi-annual redemption instalment due 1st April, in the market to the nominal value of £20,900 and by a drawing of 1980, has been met by purchases in Bonds to the nominal value of £6,800.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public are as follows:--£500 Bonds

7483 £100 Bonds 2140 3402 4632 3728 4964 2901 3097 3252

6699 On 1st April, 1980, assented Bonds will become payable at the new par value of £174 for each £100. together with accrued interest to said date at the office of:-

S.G. WARBURG & CO. LTD.,

Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2D L.

Interest will cause to accrue on the Bonds called for redemption on and after 1st April, 1960, and Bonds presented for payment must have attached all coupons maturing after that date. £370,700 nominal Bonds will remain outstanding after 1st April, 1980.

The following Bonds drawn for redemption on the dates stated below have not as yet been presented 1st October, 1975 £100 Sand Nos 1761 2734

1st April, 1977 £100 Band Nass 3056 4376 5002 7st October, 1977.

£100 Band Nos: 5016 1st April, 1978 £180 Bond Nos:

30 Greeham Street, London, EC2P 2EB

21st March, 1930

100

. . .

to fill the breach left in Capital 100,000 sq ft. The difference in centre redevelopment scheme at Sutton, Surrey, by the departure of the John Lewis Partnership.

Mr. Ian Norten, assistant managing director of Capital and Counties, said yesterday that House of Fraser had, in principle, decided to take key space in the £40m-plus office and shop complex, although the move had yet to be approved by the potential tenant's board.

The decision represents welcome news for Capital and Counties, which is in the proess of site assembly and which hopes to start work on the project in late 1981 or early 1982. The withdrawal last year of John Lewis caused embarrassment all round and Mr. Northen and his colleagues have spent the best part of the year trying to find a replacement,

When it pulled out, John Lewis had signed a deed of intent to occupy around 200,000 square feet of space in the scheme. But it said that uncerdoubts about particular aspects of the development, together

House of Fraser will not be taking as much space as planned Capital and Counties package.

trading area will not, however, be as great as the figures suggest as John Lewis has a comparatively low proportion of

sale space to storage. Originally, the scheme was to be dominated by the John Lewis girls' grammar school on the store and a further 25 to 30 shop site and which still owns the units would be provided, together with 140,000 sq ft of office space. It now seems likely the plan will include a department store, one or two large units and 50 or 60 shops. Office space will still be included.

The final shape and content

of the scheme could be largely decided at the end of this month by-of all authorities-the Church. A report prepared by Ove Arup, proposing the creation of an ecumenical centre in Sutton, and bringing together the Baptist, United Reform, Methodist and Anglican churches, is to be considered soon and a decision to go ahead will see the Baptists-whose church occupies part of the redevelopment site - moving

If the church goes, definitive plans can be drawn up and with the earlier availability of an alternative site at Kingston. had caused it to change its

New City

Properties plans to build a £10m office complex close to Spital-

The scheme will be carried out in partnership with the Central Foundation Schools of London, which until 1975 ran a land in question.

An earlier proposal, which was granted planning permission in 1975, was never pursued after Williams and pulled out of a plan to occupy the new space. The current plan is for an 80,000 sq ft office building and a second possible another educational foundation -providing an additional 20,000

company was purchasing the good reasons why a major figures are gross and do not 1970s. freehold of the land. Central Foundation Schools, which unlikely. Foundation Schools, which requires funds for its new East End premises, will receive

Planning permission is being—to t sought from the City and Tower 1970s. negotiations with site owners, be externally funded with as the absence of a complete yet unknown partners. There pital and Counties package, is, says Mr. Melville, a firm

Brussels office debate

According to Jones Lang Wootlon in Brussels, the office market in the administrative heart of the European Com-munity has reached the stage where shortages of large, modern space are likely to emerge over the next two years. suggestion is that, at this points, rents might be expected to rise sharply but in a city where debate and argument is commonplace this is by no means a consensus view.

The confidence of Jones Lang Wootlon is not matched by rival agents Knight Frank and Rutley who point to the present weakness of the Belgian economy. high labour costs and what they Mr. Leslie Melville, chairman see as the disenchantment of and managing director of multi-nationals with Brussels as an international centre as very

the past five years move into another.

has been bedevilled by According to Jones Lang: Brussels has been bedevilled by rental income from the scheme although County and District has the option to convert it to a capital sum. -to the forefront in the early

> However, according to JLW: tions that the over-supply which has dominated the market is well and truly played out." agents say that the

PROSPECTS FOR the Brussels remaining space is likely to be accommodation is unlikely to be absorbed "as the international office property market appear to be as confused and as until the City, County and District Properties plans to build a \$10m. to be as confused and as uncertain as the future of the EEC itself—one of the city's most important tenants.

According to Jones

Moutton in Parisals that the city of the community to include unlikely to be entired back into the market while yields on new buildings remain as low as 3½.

Jones Lang estimates that buildings remain as low as 3½ there is currently some 2.5m to 4 per cent and while the present of the community to include unlikely to be entired back into the market while yields on new buildings remain as low as 3½.

sq ft of office accommodation still vacant compared with an estimated take-up of 1.6m sq ft in 1979. On the basis of these figures it would seem to 4 per cent and while the present stiff planning restrictions prevail.

JLW see continuing demand for office space coming from figures it would seem to the seem of the see figures it would seem reasonable to suggest that shortages are likely to occur.

JLW says that while there are still plenty of small to medium-sized suites available on the market the real shortage will involve very large space. But the JLW figures do not, according to their critics, fully

reflect the true state of the market. The 2.5m space presently available includes, on the agents' own admission, only modern properties in prime locations where there is likely to be strong demand. At the same time the 1979 take-up

Although rents are expected to increase steadily rather than mamatically in the immediate future there is no doubt that the growing shortage of space, fuelled by strong demand and the lack of new developments "There are now positive indica- coming on stream, will all comhine to put further pressure on rents in the prime locations by the end of this year."

Any shortage of large, modern space requirements.

Strand, WC2.

for office space coming from EEC and quast EEC bodies like pressure groups, while it says that multi-nationals will continue to want Brussels' head-quarters to be near to the European political power base.

It is not a view shared by Michael Nicholson of Knight Frank and Rutley in Belgium. He points to a number of inter-national companies, including a couple of American banks. which have moved out of Brussels in recent years and says that the city, with all its EEC attractions, no longer has the same lure for multi-nationals as it did in the early Equally, he believes that the

Belgian government—seeking to provide work for a hard local construction industry—will attempt to use Belgian contractors to build any new space required for it and the EEC administration. With the Belgian economy in

difficulties—there were with 102 bankruptcies, including Socol the construction group, recorded in February alone the local private sector is also hardly likely to have major

Hambro Life in £3.3m deal

has paid £3.3m to the Savoy Hotel for 2 Savoy Court,

Tenants of the 32,000 sq ft building include the Inland Revenue, which occupies 14,000 sq ft; the Savoy Tailors' Guild which rents a further 4.100 sq ft; American Express and Allied Brewerles which owns the Coal Hole public house. The building has a basement, ground and seven upper floors and it is understood that Hambro Life intends to refurbish 6,500 sq ft recently vacated. D. E. and J. Levy acted for the Savoy Rotel and Michael

Laurie for Hambro • Legal and General has bought in the four years remaining on two leases at 70-72 Oxford St., WI, where it is the freeholder. One of the shops was occupied by Gay Furs, which was paying the princely sum of \$524 a exclusive in rent, while Reed Employment was next door. The units are to be refurbished to provide one shop of 3.500 sq ft and a rent of £95,000 is being quoted. Conrad Ritblat and Laurence Bird acted for L and G.

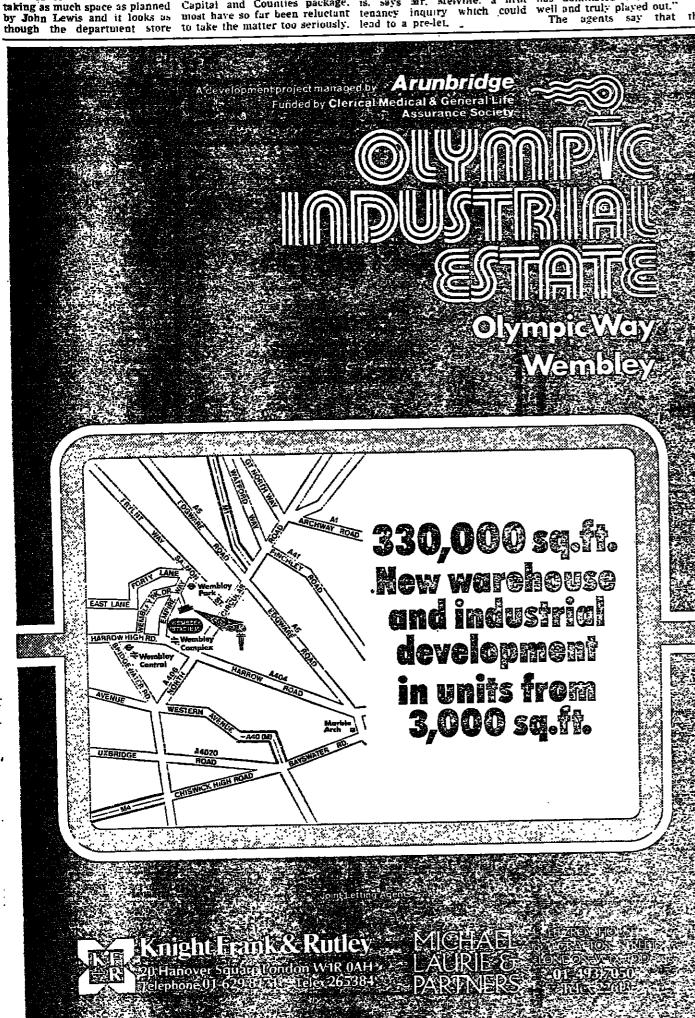
• First National Bank in Dallas has assigned the leases of their former headquarters at 60-63 Alderman-bury EC2 to Fidelity Bank of Philadelphia. The rent passing is around £13 a square foot and will be reviewed this June. A premium was also involved for the leases.

HAMBRO LIFE Assurance which expire in June 2025. Debenham Tewson and Chin-nocks acted for the assignors and Shepherds represented

> Miller Buckley is alive and well. My apologies for suggesting last week that the company had gone into reecivership. It was Uelia Buckley, the joint venture comprising Miller Buckley Investments and the Melia hotels group—formed solely to develop Kings Reach— which was put in the hands of a receiver in 1976.

 Great Portland Estates has leased its new 28,250 sq it airconditioned banking and office building at 61. St. Mary Axe. EC3. to Incheape. Although the terms were negotiated over a year ago. a rent of £450,000 a year exclusive to have a clusive is being paid for a 35-year lease with regular reviews. Jones Lang Wootton acted for Great Portland and Dron and Wright advised Incheape.

· Coutts has let the third floor of its new Strand headquarters to Arthur Anderson, the international chartered accountants It would be interesting to see what sort of price can be achieved for space in a building of such unquestionable merit alas, no one wants to give details of rental for the 29,600 sq fi involved. Debenham Tewson & Chinnocks acted for Anderson and Hillier Parker May & Rowden represented Courts.



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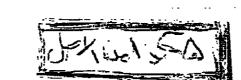
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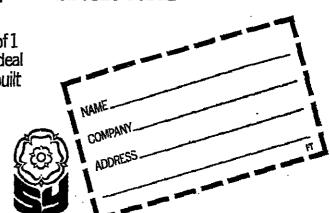
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Last

14.80/14.97 14.80/14.97

Month ago

1,230 1,180 1,180

19.18

1,545

1,526.11 1,420

4.30/4.50

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THE MANAGEMENT PAGE

HALFWAY between Hamburg airport and the city centre is one of the most extraordinary concentrations of hureaucratic endeavour ever built: Hamburg Nord, the new office city.

If you are impressed by thorough and professional planning, Hamburg Nord is the place for you. More than a score of huge new office buildings have been built in a kind of green office park. Not only is each office park of these buildings is purpose-built. BP thought long and hard before it designed its buge been built in a kind of green office park. Not only is each building beautifully built of the very best materials, but inside them some of the most highpowered office service managers in the world have tried their hardest to design the most effec-tive and efficient forms of administration and office sup-port. Each office form has heen designed with as much love as the huge glazed facades. Planning rules everywhere from the skyline to the paperelipe: -

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MOVEMENT

TIONS EXCHANG

It is no surprise that office panning has reached its glitter-13g peak in Hamburg. Not only ras the city seen a miraculous increase in riches and industry n the past 25 years, but this is also the home of office landscaping, the most spectacular innovation in office interior design since the war.

But something is not quite the It was not just the heavy frost whitening the trees which chilled me as I walked between the buildings recently; it was a growing fear that these build-ings are the dangerously per-manent consequence of some fundamental premises or lines of argument which are fast dis-

This is not to say that I do not

A visit to the dinosaur sanctuary

Francis Duffy finds his appreciation of the individual buildings in a new office city marred by strong reservations about its concept

polygonal office landscape.

Shell's answer to a similar roblem is no less meticulous, but its design solution is diametrically opposite—a great cruciform aggregation of single office rooms. One insurance megastructure shelters almost three thousand people. Tschibo, a coffee company, has given equal care to housing 300 in one of the most cheerful open plan offices I have ever seen.

None of the office buildings is without impressive loading docks, workshops, archives, meeting rooms, reception areas, and security arrangements, all on a scale which would squeeze bitter tears of envy from the average British administrator.

But this new office City is a depressingly arid place. Nowhere in it is there the vital interplay of ancient trading com-munities—key characteristics of the City of London and downtown New York, for example, which have many informal meeting places.

Hamburg Nord also achieves far less than the vital new office parks—like those in Silicon Valley—which are now so frequently found adjacent to



or in Britain in Cambridge and on all sorts of informal links. Warrington (which is strategi-cally near the universities of Manchester, Salford and Liver-pool). In such places new in-dustries flourish on the basis of these masterpieces, which look

Each building is a complete

universities in the United States, shared staff and experience, and like a school of architecture on eight hours per day world with

exhibition day, sit together on Behind the deadness of the same site? Why an office Hamburg Nord lies the first of city? Does anyone take the the set of disappearing pre- lonely path from Shell to IBM

subsidised restaurants, fine ment they use, in their time-gymnasia, shops and even banks. tables and in their capacity to bet there are as many private swimming pools as in Virginia Water. The only common asset between the buildings is a central heating and cooling plant. Apart from this, what is "city-like" about these private projects, of which the whole is so conspicuously less than the sum of the parts?

The second vanishing premise is office technology. Office technology is not going away; but it is certainly changing extremely fast. When Shell, Esso and BP planned their offices in the 1960s they came to very different conclusions about open and cellular offices, though they all agreed roughly on the size and proce-dures carried out in an oil company headquarters.

I should be very surprised if there were not very severe pres-sures in the next decade to change some open plan offices into cellular ones and vice versa, as new management styles and new technical ways of running offices create demands for new office arrangements. Shell and BP at least will find their ex-cellent but short-sighted build-

ings very hard to adapt.

New technology may have profound effects on the number and kind of people employed in a headquarters, in the equip-

the traveller in an antique land carry their electronic offices with them on their travels. Centripetal forces could disintegrate the solid HQ core: new ways of working could reinte-

grate the laboratory and the office, the boardroom and the project group. Already in Hamburg Nord there is evidence of sub-letting, where this is technically pos-sible. But this "city" will be very difficult to dissolve; it will remain a monument to the office technology of the sixties and early seventies, the period im-mediately prior to the electronic office. Industrial archaeologists take note: the data for your future studies are here.

Energy

Perhaps it is unfair to mention the third premise when so many oil companies are involved. Which futurologists managed to predict the impact of the energy crisis? Unfair or porate privatism have missed provided for the complex of the energy crisis? not, these buildings at Hamburg Nord are like Cadillacs and Concordes, magnificent devices for expending energy. Air-con-ditioning is normal; artificial lighting is essential in at least

Hundreds of fluorescent tubes

by external blinds but by burning energy to cool the sun's rays. All this in a clean suburban site in a temperate land. The present desperate scrambling among architects and engineers to reduce the number of watts expended per square metre will not result in building forms like these. Shelley wrote a poem about

who found, in an endless desert waste, a tumbled statue of a long dead king on the base of which was written the legend "Look on my works, ye Mighty, and despair." Hamburg Nord is not a desert. Yet in its ten years' history massive changes have taken place in attitudes to location, in linkages between enterprises, in the etchnology of office work, and in the cost of energy. These changes are so great and open-ended that Hamburg Nord is already on its way to becoming an anachronism—a victim of its environment, just like the

The lessons about energy and technology are obvious: planning, however thorough, is no good unless the unexpected is used to kindle opportunities not to extinguish them. The the vital trick of creating new enterprises out of old, of allowing small businesses to thrive symbiotically with the large. This trick is the simple but vital one of creating new enterprises new cities.

Managers and architects look burn all day. The problems of about you and beware.

GEC wants a 'more exciting' line of research

BY DAVID FISHLOCK

research Centre in Wembley, to conduct long-range research MSDS, predominantly a on the problems of designing defence development and engincomplex engineering systems—ering company with sales exceeding £100m a year, is major customer of change in research policy introduced by Derek Roberts, the former Plessey executive, since taking up his new post as GEC's

director of research last year.
As research director Roberts, 48, oversees a £20m budget spanning four research centres. He manages the biggest, at Wendley, where nearly half the cast is spent. His new labora-tory will be dedicated to the lon-range problems of one GE(company, Marconi Space and Defence Systems (MSDS), much as the telecommunications resarch laboratory at Wembley is levoted to the problems of

MDS laboratory-arising from early seventies by Lord Roths-

CEC is setting up a new re- are problems involving the research laboratory at its Hirst whole of the Hirst Research are problems involving the

> already a major customer of the Hirst Research Centre. John Williams, chosen to head the new laboratory, hopes to recruit a team of about 30-32 professional staff by the end of the year. His programme opens with work on three fast-developing types of sub-system: optical signal processing based on gallium arsenide integrated circuits; millimetre wave com-munications; and advanced kinds of infra-red sensors.
>
> Under Roberts, the Hirst
> Research Centre will continue

to operate as a contract research centre to the GEC group. About 80 per cent of its work is done GR Telecommunications. under the customer-contractor sut the problems of the relationship made famous in the

is financed from group head-

Sir Robert Clayton, technical director of GEC, calls the com-pany's approach to research funding "intelligent Roths-child." Much of the contracted research comes from about 30 of the 100-odd GEC companies. most of which have their own development and engineering

Change of emphasis

For about two years before the arrival of Derek Roberts. Sir Robert Clayton himself had to run the Hirst Research Centre. This could not continue for several reasons, not least because, as the group's auditor of research and development policy, he must sit in judgment on its central research effort. He had also become deeply extronics and the fact that he wants. The contractor does involved in advising govern-caplete sub-systems can now it (if he can); and the customer ment, through his work for the h made on a single "chip"— pays." The other 20 per cent Advisory Council on Applied The other 20 per cent Advisory Council on Applied in the forefront of technology.

and Development (ACARD).

He recruited Roberts from one of GEC's principal rivals in Roberts ended a 25-year career the enthusiasm of an ageing with Plessey—he joined as a research base. "I want GEC graduate—as managing director research to be more exerting micro-electronics in Britain. of Plessey Microelectronics, and the main architect of its policy of concentrating on "specials" rather than mass-produced chips. Roberts has also been a major influence in government policy for the education of engineers in micro-electronics.

century engineering rubbing shoulders with companies right

Diplomatically, Roberts refers to the changes he is now intro-ducing at Wembley as "changes of emphasis." Clayton is more blunt and talks of overcoming "an inbred NIH—not invented here—factor." The time had come for a change in research policy and it needed an outsider to do it, he says. But both recognise that the GEC group is a cross-section of British industry as a whole, with com-

to make more people more aware of what GEC research is already doing. Even as a major rival he was unaware just how much research and technology the group was pursuing, he says.

I want a higher risk factor in our research." Roberts believes that one of his first problems is

But his biggest asset is the ject is. About 30 of his staff of simple fact that the GEC re-600 at Wembley will soon be search programe is expanding. equipped with their own Both Hirst Research Centre and terminal to a private GEC Great Baddow, GEC's other viewdata bank.

Clayton chose a research main research centre in Essex. physics "because that is the fled scientists or engineers each future." -- But his -brief to this - war. Roberts has been to rekindle

> As a novel aid to communications among his own research managers Roberts has just introduced a viewdata system developed in his laboratories. At the touch of a button on the small TV receiver on his desk he can discover who is the expert on any subject in the research centre, what vacancies for experts there are, what the current financial status of a pro-



Derek Roberts: newly charged by GEC with the task of overcoming a "not invented here" resistance to outside ideas. "I want GEC research to be more exciting," says Roberts. "I want a higher risk factor"

These are the reasons why Volvo trucks are more economic

More than anything the proof of Volvo all major components for our heavy trucks economy is summed up in independent ourselves. road tests.

"...knocks all economy records into a

cocked hat ... " Commercial Motor "... surpassed all previous fuel economy

figures ... " Motor Transport "... excelled on fuel economy, treating the stuff like nasty medicine and swallowing the

barest minimum ..." Truck Magazine Let's be honest, there's nothing mysterious

about getting good operating economy.
The real answers, like the problems, still lie

in the basics: the truck, the driver and the back-up services.

The truck

A truck with a mismatched driveline for instance, can mean a 25% increase in fuel consumption.

That's why we design and manufacture

And, because turbocharging reduces fuel consumption by as much as 10%, we introduced it to Volvo engines 25 years ago.

So when you choose Volvo, you'll know you're specifying the right truck.

The driver

Amazingly, incorrect driving techniques

can increase fuel consumption by 50%! Which is why Volvo's rev counters have markings which show the best range for the

most thrifty performance. Just one indication of our total commitment to driver safety, comfort and clear, easyto-use instrumentation.

The back-up

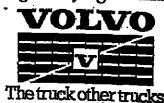
Back-up is one of the most vital factors influencing operating economy.

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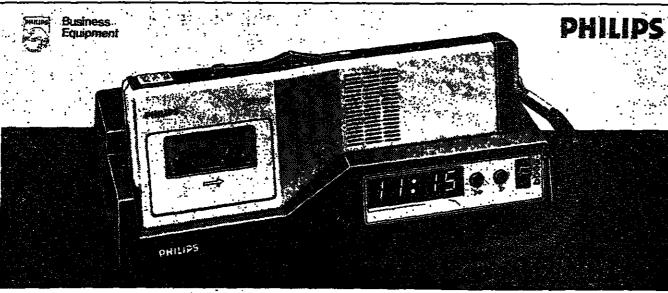
Service Exchange System which not only saves on workshop time and parts stocking but can also mean a 50% saving on the parts themselves.

These are just some of the reasons for Volvo economy. Add them together, then include a Volvo truck's exceptional re-sale value and the total saving is very significant.



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LOMBARD

Cutting PSBR: the real effects

BY ANTHONY HARRIS

the PSBR? Samuel Brittan fall (as gilts become scarcer argued in these columns and companies can fund some recently that it might take there will be a capital outflow some time for a PSBR cut to and the exchange rate will day I had some fun at the reason the balance of payments expense of those who seem to will tend to improve (the think that a cut will have no effect at all. That may look like a disagreement; but the fact is that the whole question is a great deal more complicated than it looks at first sight. The effects depend enormously on external circumstances, how the cut is achieved.

Savings habits

The simple case against cutting the PSBR goes like this. The personal sector has pretty stable savings habits—much of its saving is contractual. Banks are simply a pipeline. So the only result is to squeeze companies (and perhaps improve the balance of payments a bit). The benefit, if any, is not worth the cost.

This is too simple by at least three quarters. It implicitly assumes that here is no effect either on interest rates or on the exchange rate, and the assertion about personal saving is wrong. It also leaves out monetary targets. In short, this analysis is a throw-back to the old days of fixed rates, exchange controls, and Bank Rate administered according to some moral law, and neglects all the recent work about personal saving.

Let us start again from a real world with a money supply controlled by selling gilts, a floating rate and open exchanges. Now assume that the supply of gilts for sale drops, because the Government's need to borrow outside the banking system has been cut. Fund managers must put their money somewhere. Where? They can buy property — about 90 per cent pipeline and 10 per cent construction; or they can buy company securities (a pipeline unless companies are issuing them) or foreign securities.

Now these changes tend to have one or more of three Either money is fed back into capital formation at called oil; and look a home (probably very little at jections for PRT....

Indicates programme

6.40-7.55 am Open University

(Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You

and Me. 11.40 For Schools, Col-

leges. 12.45 pm News. 1.00

Pebble Mill at One. 1.45 Mister

Men. 2.02 For Schools, Colleges. 3.02 Pobol y Cwm. 3.53 Regional

England

London). 3.55 Play School. 4.20 Roobarb and Secret Squirrel.

4.30 Jackanory, 4.45 Tarzan, Lord

of the Jungle. 5.05 Rentaghost.

for

5.35 Paddington.

in black and white

WHAT IS the effect of cutting first), or interest rates tend to affect interest rates; and yester- tend to fall. But for the same capital account of the balance of payments is the mirror image

of the current account). Roughly, when British interest rates are abnormally British high — as they have usually been - the main effect might be on interest rates; but when rates are high everywhere, as at present, the effect on the exchange rate and the balance of payments will probably pre-

Now the one clear thing about these effects are that they help rather than hurt industrial and commercial companies. A fall in interest rates is a very direct help, at the expense of bank profits and personal savers. A fall in the exchange rate is even more helpful; its lifts the lid on prices, and goes straight through to margins. Of course. this means that cutting the PSBR may even raise "inflafor a time; excessive tion" public borrowing has been blocking overdue adjustments to past inflation, and maintaining real incomes at unrealistic levels. But it is hard to see how we are to recover as an economy without an initial cut in real incomes, anyway,

Good fairy.

Of course this is a very simple, first-round effect sketch of the repercussions of cutting the PSBR, and begs the question of how the cut is achieved. If it was achieved by higher taxes, or a cut in public spending with the private sector, we are only discussing a way in which the system feeds out compensation for an apparently deflationary

growth rate is probably small. But suppose that some good fairy should offer to cut the PSBR by magic, without any effect on prices, or on the taxes paid by any of the hard-pressed potential victims. And then remember that there is a sixth sector which is not hard-pressed. called oil; and look at the pro-

6.20 Nationwide. 7.00 Young Maverick. 7.50 Butterflies. 8.20 Francis Durbridge.

chester and Liverpool. names that come to mind are Roman Chester, Knutsford and leafy Alderley It is a county, in fact, with

THERE IS a disposition to think

of Cheshire as a county of small

suburban outports of Man-

market towns, rich farms and

considerable concentrations of industry and houses some of the biggest names in British industry-ICI at Runcorn, Vauxhali at Ellesmere Port, Rollsand British Rail Royce Engineering at Crewe, Atomic Energy Authority at Warrington and Shell Oil at bach. One new addition, GEC-Fairchild, will bring 1,000 jobs

to Neston. swimming with the tide than against it cannot disguise its more job opportunities.
Between 1974 and 1986 the

county has to find 80,000 more jobs just to keep up with the bulge of school leavers—and bulge Cheshire is already falling be-hind. About 1,000 of the displaced steelworkers at Shotton, over the county border in Clwyd, live in Cheshire. Life may be pleasant in Cheshire but it is not idyllic and there is still a lot that has to be done in improving employment pros-



CHESHIRE

Where Cheshire has succeeded is in attracting high-technology firms and especially those engaged in research, GEC-Fairchild is only the latest example; the county was asked to submit a tender for the Inmos project, and did, but there is Stanlow and Fodens at Sand- not much hope of that arriving since it has GEC-Fairchild.

The county has also been foro Neston. tunate in having two new The fact that attracting towns—Warrington and Runindustry to this green and corn—to act as a focus for in-pleasant county is more like dustry. New towns have tradidustry. New towns have traditionally attracted light manufacturing and distribution inneed for the creation of even dustries and both of them have played a part in diversifying the industrial base:

An outsider might consider

that having two new economic development areas on its doorstep could harm industrial prospects, but Cheshire takes a different view. Both Liverpool and Manchester have launched strong campaigns to draw in industry and an urban development corporation is to be established in Liverpool, to draw in industry: Cheshire feels these could be of help since some people living in the county are ductions to local financial bound to travel across bound institutions. It also encourages daries to take work in any new protects.

As in so many other places, the county believes that the best opportunities for job creation will come from the encouragement of small firms and it easerly joined a project started by ICPs Mond division to help small businesses and budding entrepreneurs. Last November it co-operated in the setting up of Business Link in Halton - the old Runcorn and Widnes—a company limited by gurantee, funded by five bodies and backed by two banks.

Expertise

The origins of Business Link lay in a programme ICI Mond Business Link had dealt with started in the mid-1970s to help 46 inquiries, ranging from young people. Out of it emerged a project to help small businesses capitalise on the big company's experience. approached the county and some other organisations to see if they would be interested in participating. Cheshire, Runcorn Development Corporation. Halton Borough Council and the Grosvenor Estate Commercial Developments joined in may be important but it will with finance: the Midland and not help the thousand or so dis-National Westminster banks added expertise.

cial cases and can effect intro- to produce results. So it is pay- year to absorb the natural

big firms to examine how their commercial policy can help the

Problems behind an old world facade

small man. Business Link is run by Harry Laws, an accountant with a grocery chain before he joined Ellesmere Port as industrial liaison manager, and ICI has put in a line manager, Alan Griffiths, to help get the project off the ground. High street premises have been found in Runcoro.

The main alm, according to Mr. Griffiths, is "to act as a listening post. We chat to people and give them confidence. We also offer practical help in finding premises or offer an introduction to the banks."

By the end of January, people wanting to turn a hobby such as model-making into a commercial enterprise to a man thinking of setting up a joinery concern. With the closure of part of Shotton, the council believes that Business Link's activities will increase enormously.

Helping two or three people get on their feet industrially not help the thousand or so dis-placed at Shotton. Cheshire would like to promote itself Business Link does not pro-vide finance for any project but it will help in preparing finan-et all and the property of the property and would take time HANTWICH C R E W E

ing more attention to backing growth in the labour force. But local undertakings, such as the Cheshire has just 786 acres industrial fair which was available, of which nearly 300 attended by over 100 exhibitors are in Warrington and another last year and which will probably be repeated this year, and considers this to be quite ably be repeated this year, and being represented at other insufficient to meet our job people's exhibitions. This way requirements."
it can aid the local economy
with the minimum of financial
remove some of

CLWYD

- 12 ES

The great need, though, is for more land. Even in a situation where employment is not growing there is a need for 2 per cent more space each

Its solution would be to remove some of the constraints on allocating land for industry. In a highly rutal county this inevitably runs up against powerful opposition. If there is not to be forced migration of young people some compromise will have to be found

Royal Obligation is set to give Bradwell another chance

tice championship, a deservedly time. successful and much respected Roy series, gets under way again at Doncaster this afternoon when

RACING

BY DARE WIGAN

23 are due to line up for the first round at 3 pm.

A year ago that remarkably cool and unflappable rider, Paul Bradwell, landed this race for Clive Brittain, to whose Carlburg stable he is attached. It is not beyond the realms of possibility that Royal Obligation Scotland—11.00-11.20 am For from Doncaster. 3.45 The Enter-Schools. 12.40-12.45 pm The Scot-tainers (Georgie Fame). 4.15 The Tomorrow People. 4.45

THE CROWN Plus Two appren- will do the trick for him this reasonably well to beat Imperial

Royal Obligation, a good looking four-year-old by Busted out of Lady of Chalon, produced by far his best performance last term when beating Gibbon cleverly over this one mile course in September. He is preferred to Fidibus.

In the Hall Gate Handicap the two who interest me most are the badly drawn Laska Floko and that consistent Prince Regent gelding, Azerila.

Laska Floko, although a major disappointment to Clive Brittain and his owner, Capt. Marcos Lemos, after running fifth behind Lyphard's Wish in the Mecca-Dante ten months ago did, nevertheless, do

5.45 News.

6.00 Thames News.

6.30 Thames Sport.

8.30 Hawaii Five-O.

ing and Dancing.

11.45 Pro-Celebrity Snooker.

12.30 am Close: Personal choice

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News, 3.45 Chopper One, 5.15 Happy Days, 6.00 About Anglia, 10.30 7 Days, 11.00 Friday Late Film: "The Stender Thread." 12.45 am Men Who Matter.

12.30 pm Out of Town. 1.20 ATV Newsdesk. 3.45 Money-Go-Round. 6.00 ATV Today. 11.00 ATV Newsdesk. 11.05 Murder, at. the Movies: "Judge Dee in the Monastery Murders.".

BORDER

1.20 pm Border News. 3.45 The Flintstones. 5.15 Balley's Bird. 6.00 Lookaround Friday. 6.30 Thingummyjig. 10.30 A Summer Rose. 11.00 Friday Night Movie: "City of the Dead." 12.25 am Border News Summary.

CHANNEL

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 3.46 The Baschcombers. 6.00 North Tonight and Area Wasther Fore-cast. 6.36 Sportscell. 8.30 Vegas. 10.30 Reflections. 10.35 The Late Night Horror Show: "Twins of Evil." 12.15 am North Headlines and Road and Ski Report.

GRANADA

with Leslie Crowther.

7.00 The Muppet Show.
7.30 Play Your Cards Right.
8.00 Life Begins at Forty.

9.30 Fully Licensed for Sing-

Ace in a hotly contested maiden event at Ascot in July. Now that his handicap rating has dropped so dramatically such a race as today's should soon go Laska Floko's way.

Earlier in the afternoon Bill Marshall, whose string usually gets off to a quick start, can take the River Don Selling Stakes through Roander.

DONCASTER

2.00-Roander*** 2.30-Ski's Double

3.00-Royal Obligation**

3.30-Lasko Floko 4.00-Maris Bard

4.30-Tom Strauss*

HTV

Magpie. 5.15 Emmerdale Farm.

1.20 pm Report West Headlines. 3.45
Ouchl 5.15 How's Your Fether. 6.00
Report West. 6.30 The Muppet Show.
7.00 Emmerdale Farm. 8.30 A Man
Called Sloane. 10.35 Report Extra. 11.05
The Friday Film: 'The Straw Man.'
HTV Cymru/Wales — As HTV West!'
HTV General Service ercept: 10.31-10.46
am About Wales. 10.48-11.08 Am
Gymru. 12.00-12.10 pm Mistar Clai. 1.20
Penawdau Newyddion y Dydd. 1.25-1.30
Report Wales Headlines. 4.15-1.45
Antur a Champ, 6.15-5.45 Mork and
Mindy. 6.00 Y Dydd. 5.15-6.30 Report
Wales. 10.35 Agenda. 11.35-12.30 am
Sidestreet.

SCOTTISH

1.20 pm News and Road and Weather. 3.45 Money-Go-Round. 5.15 The Electric Theatre Show. 6.00 Scotland Today, 6.30 Emmandale Farm. 8.30 Thingummyig. 9.30 Love Thy Neighbour. 10.30 Ways and Means. 11.00 Late Ca'l. 11.05 Appointment With Feer: "Vampire Circus." SOUTHERN

1.20 pm Southern News. 3.45 Sters On Ice. 5.15 Mork and Mindy. 6.00 Day by Day. 8.00 Scans South East (South East area only). 6.30 Out of Town. 8.30 Streets of San Francisco. 10.30 Southern News Extra. 10.35 Southern Report. 11.35 The Lete, Late Show: "Chinese Roulette." TYNE TEES

9.20 om The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookeround. 3.45 The Trein. 5.15 Laveme and Shirley. 6.00 Northern Life and Sportstme. 70.30 North East News Headlines. 10.35 Friday Late Movie: "The Family Way." 12.40 am Epilogus.

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 5.15 Mork and Mindy. 6.00 Good Evening Ulster. 8.30 Vegas. 10.29 Ulster Weather. 10.30 Sportscast. 11.00 Witness. 11.05 Friday Film: "Death Sentence." 12.20 am Bedtime. WESTWARD

1.20 pm Westward News Headlines.
3.45 What's On Next. 4.12 Gus' Honeybun's Birthdays. 5.15 Emmerdale Earm.
6.00 Westward Diary. 6.50 Just The
Job. 8.30 The Incredible Hulk. 10.32
Westward Lete News, 10.36 Sportsines.
10.55 TV Movie Premiere: "The
Widow." 12.40 am Faith For Life, 12.45
West Country Wasther and Shipping
Forecast.

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Borgia (Royal Gala Charity Perf.);
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1.20 pm Channel Lunchtime News. What's On Where and Weather. 3.45 What's On Next. 6.00 Report At Six. 6.35 Documentary (Gray Angels of Small Hope), 8.30 The Incredible Hulk. 10.28 Channel Late News. 10.36 Jack Duff and Friends, 10.55 TV Movie Premiere: "The Widow." 12.40 News and Weather in French. YORKSHIRE

10.25 am Friends of Man. 10.48 For Schools. 11.55 The Animates, 1.20 pm Calendar News. 2.45 McPhee, The Mother and Me. 5.15 Mork and Mindy. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 11.00 The Family Night Film: "A Severed Head."

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11 Causing injury in the act of attacking (9) 12 Invective for sailor to employ (5) 13 Employment as a soldier

rancidity (9)

18 River in Paris I swam (4) 20 German volume a learner produces in the nature of a 21 Two force leaders in combat

letter (7) 23 To the time when unit 22 Rough tale about Frenchman turned left (5) 24 Beget veal from plant? (9) 26 Premier measure taken by

Scots on New Year's Eve 27 Heath I caught briefly in time (5) 28 see 7 Across

29 Drive mad around grazing land in disorder (11) DOWN I Braised meat and strange

root in past (3-5)

2 Start shooting household warmer (4, 4) 3 Part of play now being performed in Greater London

4 Away with team as a footballer may be (7)

5 Examine insect with soft in

6 Competitor in tent chemically combining power (9) 7 Start to make available for traffic (4, 2)

8 Let come up around fool and

ornament (6) 14 Abused about article that's separated from the earth (9) 16 Sideways like crustacean that's intelligent (8)

17 Change a book for a remedy (8) 15 Set of three try to admit eastern leader (4)

16 Set of three try to admit (7)

20 Illuminate to make less

heavy (7)

for type of coat (6) 25 Subject them to start of

exercises (5) Solution to Puzzle No. 4,230 BRANDISH CHASER MRREE OF PU CRYCLE

10.45 Regional, National News. 10.50 The Late Film: "The Pit-And The Pendulum," starring Vincent Price. Regions as BBC-1 exc

5.05-5.40 God's Wonderful Railway. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.20-7.50 Pobol y Cwm. 10.15 Week In Week Out. 11.05 News for Wales. 11.06-12.19 am The Late Film; "Such Dust As Dreams Are Made Oo."

Wales-1.45-2.00 pm Cwmtigili.

tish News. 5.55-6.20 Reporting Scotland, 10.15 Spectrum. 10.45-10.50 Regional, National News. 9.00 News. Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 9.25 The Eddie Capra **Mysteries** Scene Around Six. 10.15 Life-10.15 The Fall and Rise times with Robert Elegant, American war correspondent 10.45-10.50 Regional, National News. 12.15 am News and Reginald Perrin (London and South East only). Weather-for Northern Ireland: England-5.55-6.20 Look East (Norwich); Look North (Leeds,

lands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight

BBC 2

4.50 pm Open University. 6.55 Gardeners' World. 7.20 Mid-Evening News. 7.30 Five to One. 8.00 Public School.

8.30 Vikings! 9.00 Pot Black 80. 9.25 Golf. 10.15 Thérèse Raquin.

Gyra. 11.40 Late News. 11.55 Friday Night . . . Satur-

LONDON

South West (Plymouth). 10.15-10.45 East (Norwich) Killing Us Softly: Midlands (Birmingham) Action 80!; North (Leeds) Jimmy Savile's Yorkshire Speakeasy; North East (Newcastle) Coast to Coast: North West (Manchester) Home Ground; South (Southampton) Bioscope Days; South West (Plymouth) To The Uttermost Part Of The Earth; West (Bristol) The Producers.

6.46-7.55 am Open University. 11.00 Play School (as BBC-1 3.55 pm).

11.10 Jazz, with Willie Bobo, Salome Bey and Spyro

day Morning.

9.30 am Schools Programmes. 11.55 Cartoon Time. 12.00 A Handful of Songs. 12.10 pm Once Upon A Time. 12.30 The Television Programme. 1.00 News, plus FT Index. 1.20 News. 1.30 Together. 2.00 After Noon Plus. 2.25 Racing

3 & 92,95vhf

1053kHz/285m 1089kHz/275m

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(S) Stereophonic broadcast

Medium wave

5.00 ann As Radio 2. 6.00 Dave Lee
Travis. 5.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Andy Peebles. 4.31
Kid Jansen. 5.30 Newsbest. 5.45 Round-

hebia. 7.30 Anne Nightingsie. 9.50 Newsbest, 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

#8.55 em Westher. 7.00 News. 7.05
Overture (S), 8,00 News. 8.05 Morning
-Concert (S).-8,00 News.-9.05-ThisWeek's -Composer: Holst - (S), 10.00
Young Artists Recital (S), 10.55 BBC
Northern Iraland Orchastra (S), 11.40

2 693kHz/433m 909kHz/233m

RADIO 1

RADIO 2

†11.50 am Stamp Stories. 1.20 pm Granada Reports. 2.00 Live From Two. 3.45 Stars On Ice. 5.15 The Rolf Harris Show. 6.00 Granada Reports. 8.30 Kick Off. 8.30 Vegas. 10.30 Double Vision. 11.15 Seep. †11.45 House of Horrors: "Eye of the Davil." **Radio Wavelengths**

BBC Radio London: 1485kHz, 206m & 94.9vhf Capital Radio: 1456kHz 206ns & 94.9vhf London Broadcastin 1151kHz, 261m & 97.3vhf

Haydn: Quartet in B Bat (5), 12.06 pm Chicago Symphony Orchestra Concert, part 1 (5), 1.00 News, 1.05 Concert, part 2 (S), 1.55 The Arts Worldwide, 2.15 Choral Music from the USA (5), 2.55 Tippett: Sonate for four horns (5), 3.10 Stuttgart Plano Trio Concert, part 1 (5), 4.05 Interval Reading, 4.10 Concert, part 2 4.55 News, 5.00 Meinly For Pleasure (6) (‡ and mono only from 6.20), 7.00 Machaut Chember music concert (8), 7.10 One Pair of Ears, 7.25 Play it Again (S), 7.30 Bracha Eden and Alexander Tamir Piano recital, part 1 (5), 8.10 The Kaiser, The King and the Coming of War (talk by Paul Kennedy), 9.30 Recital, part 2 (S), 9.25 The Vision of Plars the Ploughmen (S), 9.55 Building a Ubrary of records (S), 10.25 D. H. Lawrence — 50 Years Later, 11,00 Mertinu: Violin Sonata No, 3 (S), 11.55-12.00 News:

VIH only — 6.00-7.00 am and 6.20-7.00 pm Open University,

RADIO 4

RADIO 2
5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogen (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought and 9.03 Top Five Albums. 10.03 Jimmy Young (S). 12.03 pm David Hemilton from the Ideal Home Exhibition (S). 2.03 Ed Stavart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.03 Derek Hobson (S). 9.05 Friday Night Is Music Night (S). 9.35 Sports Desk. 10.02 Marks in His Diary. 10.30 Derita presents Sounds of Latin Américs. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S). RADIO 4 AD10 4
6.00 am News Briefing, 6.10 Farming Today, 6.25 Shipping forecast. 6.30
Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30
8.30 News headfilmes, 7.45 Thought for the Day, 8.35 Yeatarday in Parliament. Scott (5), 7.00 London S.00 Naws. 9.05 Desert Island Discs. Scott (5), 7.00 London Party Pieces (5), 7.45 From Our Own Correspondent. 10.30 Daily Service. 10.45 Story Time. 11.00 Mummy's Weekly (5), News, 11.05 Between Two Livas, 11.50 (5), 2.00 Night Flight

News. 2.02 Women's Hour from Wales.
3.00 News. 3.02 Listen with Mother.
3.15 Afternoon Theetre (S). 4.10 A
Handful of Songs. 4.40 Preview. 4.45
Short Story. 5.00 PM: News Megazine.
5.50 Shipping forecast. 5.55 Weather:
programms news. 5.00 News. 5.20
Going Places. 7.00 News. 7.05 The
Archers. 7.20 Pick of the Week (S).
8.10 Profile of Linton Kwesi Johnson.
8.30 Any Questions? 9.15 Letter From
America. 8.30 Kaleidoacope. 9.59
Westher. 10.00 Tha World Tonight.
10.35 Week Ending (S). 11.00 A Book
At Bedtime. 11.15 The Financial Warld
Tonight. 11.30 Today in Parliament.
11.45 Just Before Midnight. 12.00 News. BBC Radio London 5.00 am As Radio 2.6.30 Rush Hour.
10.03. The Robbie Vincent Telephone
Programme. 1.03 pm London Live. 3.03
John Toogood's Showcass. 4.30 London News Desk. 5.35 Look. Stop.
Listen. 7.03 Black Lendonars. 8.00-5.00
am Join Radio 2.

Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather: programme news. 1.00 The Warld At One. 1.40 The Archers. 1.55 Shipping lorecast 2.00 News. 2.02 Woman's Hour from Wales.

London Broadcasting 6.00 am AM with Sob Holness and Douglas Cameron. 10.00 The Brian Hayas Show. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Moming Music.

2.45 & 7.30 AS YOU LIKE IT by Shake-accine.
LYTILETON (proseelum stages Ton't, 7.45 Team' 3.30 & 7.45 DEATH OF A SALESMAN by Arthur Miller. (Note: Death Of A Salesman replaces Thee & Me Mar. 27 & 23).
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OLD Vic. 928 7616. 6.00 am Breakfast Show with Mike Smith (S), 9.00 Michael Aspel (S), 12.00 Deve Cash (S), 3.00 pm Roger Scott (S), 7.00 London Today (S), 7.30 12.00 Dave Cash (S), 3.00 pm Hoper Scott (S). 7.00 London Todey (S). 7.30 Party Pieces (S), 7.45 Tod Sloan with Anna Ford — "How to get the Best for Your Child." 9.00 Nicky Home's Mummy's Weekly (S). 11.00 Late Show (S). 2.00 Night Flight (S). OLD VIC.

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المحدامن المحمل

Cinema

Divorce, American-style

Kramer vs. Kramer (A) Odeon, Leicester Square North Dallas Forty (X) Murder By Decree (AA)

ABC Shaftesbury Avenue Bbulka—The Role (A) Phoenix, East Finchley The Runner Stumbles (A) Odeon Haymarket The Magician of Lublin (X) Classic Haymatket, and selected release

Tex Avery
National Film Theatre

Kromer vs. Kromer, which has trailed a blaze of box-office glory across America and which opened here on Tuesday with a Royal Film Performance, is an often funny, sometimes touching but ultimately oh-socosy-and-loaded picture of that great American institution, divorce: and the inequality of

Who gets custody of the child?, asks the movie as sixyear-old Billy is caught in a tugof-war between conflicting parental parties. On my right, Dustin Hoffman, male-chauvinist advertising whizz-kid living on a comfy income in New York. On my lift Meryl Streep, Hoffman's beautiful from, now distempered housing, who runs off to California for freedom and psychiatric-therapy, sues Mr. H. successfully for divorce and then comes back 18 months later to claim their

Kramer vs Kramer is directed and screenwritten by Robert Benton, once the wunderkind co-scripter of Bonnie and Clyde, and is about as far from that blond bear who fills out his sour, savage folk tragedy as laconic roles with so many gathering mellowness and age grunts and sniffs and throat-could have arranged. It's a clearings as virtually to double father's eye view of the their duration, plays the over-imbroglio, focusing from start the-hill ex-star of the North form that the fill the still plays but to finish on Hoffman's lovable child-tending inexpertise when left wifeless in New York—as he clucks and flusters through though ever more creaky in the making French toast, cleaning joints and pin-cushioned with up spilled drinks and soothing Billy through a stitching opera-tion after a playground fall—other testing season of profes-and giving Hoffman the lion's sional pressures, or will be light share not only of screen time off with his girlfriend (Dayle but of the audience's sympathy. Haddon) for pastures new and Ms Streep stalks mesmerically in and out of the movie, making a fair and effective grab for our tear-ducts in the climactic

by sheer presence and commit-ment to save the film from be-the training gym, on exercise coming a totally partisan vote machines purpose-designed, it of confidence in the paternal seems, by the Spanish Inquisivirtues of love-and-muddle-

But it's an uphill struggle. Kramer vs Kramer is a lopsided, sudsy movie that coasts through on its father-appeal, its star as "7 power and its easy-paced off!" comedy and pathos, seldom nifty, firing our brains and hearts into Love a fresh response. As the plot unfolds, our every-father hero increasingly takes on the halo of Saint Dustin. Even the best of dads might be expected someof dads might be expected some times to lose his cool and reach for an expletive or a rolling-pin: but here—apart merciful than a meat cleaver. from a brief, whirlwind tiff over the consumption of ice-cream (before Master Billy has eaten his meat and onions)—Hoffman and son are a family duo right out of the textbooks. Perhaps the simplicities will be roughed up and the biasses redressed in the next instalment—such are the inevitabilities of success. Kramer vs Kramer Part Two since Bill is already rumoured to be in Doyle's the pipelipe.

if the latter sport is as encoded Murder By Decree. This Anglo-a mystery to you as to me—an Canadian thriller pits the arcanely choreographed stam meerschaum-puffing shamus and arcanely choreographed stamped of padded shoulders and his aide against the evildoings of Jack the Ripper. Place: Victorian London. Time: 1880.

Do you feel a twinge of dejactive the film hits the playing field. But it's bouncy and purposeful enough off the field to company the company the company and the company and

Nick Noite, that lumbering Dallas Bulls. He still plays, but mostly from the substitute's bench, and he still trains, pain-killing injections. Will his

tion, to the pre-match prayer meetings in which the team coach gently ushers in the visiting chaplain and urges his men to show respect with such words as "Take your f---- helmets

The movie also spins a nifty, witty parable of Sport for Love versus Sport for Hard Cash and Hard Success: placing its hero right at the cutting edge where the promotional and bureaucratic pressures of the "You squashed my pea," murmurs Dr. Watson to Sher-lock Holmes, his voice ptano "You squashed my

with shocked reproach, as the Great Detective takes a table-knife and crushes the last vegetable on his friend's plate. Home life at 221B Baker Street has never been quite the same since Billy Wilder put Conan sleuthing through their comic paces in North Dallas Forty is the The Private Life of Sherlock esoteric title of an often uncompromisingly esoteric movie. Subject, American football. And suit of John Hopkins's script for

once before on the screen, in the 1965 A Study In Terror. So few marks to Mr. Hopkins and Canadian director Bob Clark for originality of plot But high points for originality of treat-Clark, who made the Black Christmas, marries a cheerfully hyperbolic foreigner's-eye-view of Victorian London—all fog and narrow, cobbled streets—with a real-fiair for ghostly special effects. (His horse-drawn cabs loom up way in recent years. Bhumika-through a distorting lens like
The Role was made two
Celtic monsters.) And whenbefore Junoon, which lately ever Holmes and Watson come flaunted its costumed follies at in out of the cold, Christopher the Academy, and though it's Plummer and James Mason marginally better than that it's fresh fields unsectioned by six.

fresh fields unsectioned by six.

pard areas?

Director Ted Kotcheff brings a rasping comic punch to the backstage antics and agonies of a graph of the comes unstuck when trying to the backstage antics and agonies of an analysis marginally better than that it's fill furlongs behind the exact domestic bandying still furlongs behind the exact and poignant delicacy of Ankur.

The fill of the comes their bandying still furlongs behind the exact and poignant delicacy of Ankur.

The fill of the comes the property of the comes unstuck when trying to unwind its over-labyrinthine are unveiled for us in a 21-hour



Justin Henry and Dustin Hoffman in Kramer vs. Kramer

the home, and preferably cook-

ing chapatis or plying a needle and thread. But the early promise of a movie that explores

Life and Art is dissipated by

Benegal's lumpen direction and

his inability to raise the story's

pulse above a level of soap-opera what-will-happen-next.

The movie drags on in its pre-

destined way, through many a pretty image and quaint subplot, but with scarcely a single moment of invigorating surprise

plot (a Watergate-style intrigue pageant part colour (for the in this rampant, raging melothat traces the Ripper's bar- present), part monochrome (for drama from Stanley (Ship of barities to the doors of West- the past). Based on the auto- Fools) Kramer, which flashminster) and to find a place for biography of a real actress, the more Special Guest Stars— movie chronicles her sundry Donald Sutherland, Genevieve romances both on and off screen, Gielgud, etc.—than you'd rather than militant—to be a normally dine on in a month of "liberated" woman in a disaster films.

My heart tries but fails to leap up when I behold a Shyan Benegal film on the screen. Don't think that I'm ungrateful for the Bengali director's early films: Ankur - The Seedling and The Churning had a slowpaced splendour as good as any Indian movies outside Satyajit Ray. But Benegal, though still the darling of Indian cinema's exportable film-makers, seems to me disastrously to have lost his

byke and no, The Runner omnivores as Daffy Duck, Bugs Stumbles is not a comedy. Passions froth in rural America as Avery created or co-created dog-collared Dick, beloved RC these biological miracles while

or sudden truth.

backs merrily from Dick-on-trial to a recreation of the secular amours that led to homicide, Supporting suspects: Maureen Stapleton, Ray Bolger, Tammy Grimes. Corny thick-eared but oddly enjoyable.

The Magician of Lublin answers to all but the last epithet. Alan Arkin rants and raves through fin-de-siecle Poland as the womanising showman hero of Isaac Bashevis Singer's Yiddish novel. Shelley Winters, Louise Fletcher and Valerie Perrine cross his path at intervals and are poleaxed by the script's awfulness. Menahem Golan directed, Isaac Singer is no doubt turning in his sleep, and the film should be avoided by all self-preserving filmgoers.

There's consolation at the In this week's pentathlon of National Film Theatre. Tex pot-boilers The Runner Stumbles Avery, cartoonist extraordinary, pips The Magician of Lublin at has a three-day season devoted post to win the gold medal. to him in which the screen will Yes, the tall man in a cassock be eaten up by such winged, with white hair is Dick Van furry and/or four-footed priest, takes a shine to young at Warners and MGM. Note the nun Kathleen Quinlan and then dates—Monday 24 to Wednestakes an axe to her. Or did he? day 26—and book now while You may discover for yourselves seats last.

{ VALUE OF }

Camden Festival

Italian Straw Hat/Mazeppa

by RONALD CRICHTON

Camden Festival is here again something - light verse on Sunday; jazz, early music and contemporary dance on Monday: then on Tuesday the Chelsea Opera Group's offering to the festival (Logan concert version of Mazeppa. Hall, Tuesday) Chaikovsky's collegiate giving the British premiere of Nino Rota's Italian Straw Hat, a "musical farce" based on the Labiche play which served so notably for a René Clein Straw Hat, a "not Byron's (and Liszt's) naked rider but Pushkin's elderly, half-savage Cossack warrior, a tremendous character crying for a René Clein Straw Hat. based on the Labiche play which served so notably for a René Clair film James Judd conducted the Wren Orchestra, Anthony Besch produced in biscuit-coloured Belle Epoque sets by Defer Pice West Significant, while in the score as Epoque sets by Peter Rice. Mr. Besch showed a just feeling for what could be achieved in the time and a sensible avoidance of making the piece seem more

The Straw Hat has qualities of metier which English composers the fover, must be taken on aspiring to the opera house trust) was vital and enjoyable in aren't often born with. Fluency, lightness, theatre sense, ability to knock off other composers' styles are among them. The (Maria), are both gratefully Labiche farce provides a beautiful comic framework, giving of two years back. Mr. Lewis pleasure even when the music is least rewarding. For though Rota has a knack for parody of romantic styles (Puccini included), for example when the half-demented bridegroom is trying to wheedle the essential article of millinery out of a culture-besotted Countess, or when poor cuckolded Beaupertuis bathes his rheumy feet, the pseudo-Offenbach animation and pseudo-Chabrier sauce wear terribly thin.

The performance is commendably polished—alas that the music so often dampens the spirits when it tries hardest to raise them. Stuart Kale plays and sings adroitly as Vézinet, the bridegroom whose wedding is postponed by the necessity of finding that hat and saving a not entirely deserving lady's honour. Anne Pashley is the lady in question, Sandra Dugdale the understandably puzzled bride. Anne Collins is the opulent Countess. Among the men Edward Byles, Terry Jen-kins, Michael Follis, Malcolm Rivers and especially Paul Hudson (Beaupertuis) give pleasure. But the New Opera pleasure. Company

Chelsea Opera Group's annual Maccppa, conducted by Mark Elder. The Mazeppa in question a whole (of which only a dance and a symphonic interlude are generally familiar) Chaikovsky gives a personal, intimate slant to the rough epic. More worth staging, surely, than Rota's

Rota was a prolific Milanese, filmsy. best known for his film scores. The performance (the first act, most of which I heard from the best Chelsea way. The two principals, Michael Lewis (Mazeppa) and Eilene Hannan sang on Tuesday with an intensity sometimes threatening steadiness at the top. Maria torn between loyalty to her father Kochubei and love for Mazeppa who has Kochubei killed, was vividly, sometimes shrilly, sung by Miss Hannan. She made much of the striking and touching mad scene at the

> Maria's parents Kochubei and Liubov were strongly taken by Robert Dean (singing with admirable confidence as replacement for Willard White and Patricia Price. As Andrei faithful to Maria from childhood days, Graham Clark's plangent tone was far nearer to Russian timbre than English tenors normally come. It was on both evenings: one of the few consoling things about the present situation is that both inside and (as the success of Opera 80's first tour has shown) opera public intelligent enough to realise that you can't have Domingo-class stars without top prices and, welcome though they be, that good opera doesn't really should find depend on Domingos alone.

New plays at Louisville by B. A. YOUNG

mended system was to take the and the unique friendliness, helpfulness and hospitality of everyone concerned, with bottomless vats of coffee always available. The theatre tingles with euphoria as the permanent company, reinforced by a possee of apprentices, launches into a programme that, at its height, involves them in 18 performances in three days. We, at least, are not so

This year's festival, which ends on March 23, is the fourth. Previous festivals have turned up plays as successful as Gin Game. The event's fame as a show place for new American drama shows in the figure of 4,000 new scripts submitted each 4,000 new scripts submitted each mopping up filth from the play about a young, ambitious, and electricians are fitting new in the national playwriting com. street casually threw his rag liberal Jew, Levine, taking lights on Christmas Eve to in the national playwriting competition run by the theatre.

There are two auditoriums, the Pamela Brown, seating 637 around a thrust stage, and the small Victor Jory holding 160.

sponsored by Bingham Enterprises, the local communications giants. Ten writers from English-speaking nations outside the U.S. were invited to write to write the write as to challenge likelihood.

The writer of the write as to challenge likelihood.

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Breathfully fortile as the write to write the same genre, at as to challenge likelihood.

Brighter by Kent 10-minute sketches about Potentially fertile as the Americans. To my fury, what play's theme is, Mr. Pielmeler I saw was 10 sketches about the Americans' greed, vulgarity, in-until we are nudging the world sensitivity, and so on—and this of The Exercist. But the play in Kentucky, home of the most is there to be saved; it is always courteous people I ever met, good to hear an audience (They made me a Kentucky arguing as they leave. colonel.) But there was one Mr. Pielmeier turns up again is unusual— the lobby of a New splendid moment, when a in Today a Little Extra by York office-building where one drunken bum who had been Michael Kassin, a slice-of-life of the three lifts is out of order and electricians are fitting new street casually threw his rag liberal Jew, Levine, taking into the audience. (Dierk over a Kosher butcher's shop Toporzysek in this part, written from a long-established, aged, by Athol Fugard, was out-standing.)

(Naming the smaller house the Victor Jory is significant; the "play of ideas," a potentially company's Producing Director is Jon Jory, Victor Jory's son.) Cabaret-style shows are also Agnes is a nun in whose room given in the restaurant below the Pamela Brown. All nine plays at this year's its umbilical cord. The argument festival were not full-scale that develops is that Mother drama. One indeed was such a Miriam Ruth genuinely believes

It would have been possible, cabaret as I just mentioned, its that Agnes has had a virgin much alive even when they have using that word in its broadest subject and title being Doctors birth, whereas atheistical little to do is the result of some sense, to see the nine entries in and Diseases. Peter Ekstrom, psychiatrist Martha Livingstone, really masterly direction by who has no time for miracles, Jon Jory. Activity consists which is the property of service delligence but Actors Theatre, Louisville, in Pen, his associate, are nice per-thinks that someone is being mostly of sexual dalliance, but two days. There were people formers, but a little of "I'm shielded. There is interesting the tension between James and who did that. But the recom-going to kill myself tomorrow" discussion of the problems of his wife (Pirie MacDonald and "We've just placed our belief, even of virgin birth; if Nada Rowland) is subtly traced plays three per day for three mother in Greenlawns" goes a you can have a psychosomatic up to the moment when James days, a project made easier by long way. long way.

The American Project was a psychosomatic baby? Agnes has kind of entertainment too, psychosomatic stigmata before rather than drama. This was our very eyes—a phenomenon writing, this heads the Louis-

has spoilt it by over-elaboration

conservative Jew, Abrams. It's really a one-act play in which Abrams is reconciled to handing over his responsibilities, which include the widow Finkelstein, only when he sees that Levine understands the honesty of his little cheats. But a profoundly help scoring points, and Mr. Pielmeier's blend of arrogance with uncertainty makes a happy contrast to the stereotypes of others. But . . . Weekends Like Other People by David Blom-quist is another slice-of-life

from a different ethnic pool.
This clearly is Mr. Jory's
favourite style this year. In
Weekends, brainless but selfsatisfied Dan bickers with brainsatisfied Dan bickers with brainthe first is light-hearted, the Laurie until they row over those things long-married couples row over, and then slide back into nicely played by Carol Teitel

practical ping-pong table, a should set you arguing as you Boca Hot Tub of kiln-dried redwood, a bar, a barbecue, garden
Louisville is a city that takes chairs, a picnic table and a tele-vision screen through which the symphony orchestra and its own

picture. That they remain so there in the first week of May.

There is another comedy in the same genre, all the sam They're Coming to Make It Brighter by Kent Broadhurst. Mr. Broadhurst, like Mr. Pielmeier, is a member of the acting company, and his comedy is full of beautifully-written came parts, including one for himself as a dandy knocked down by a truck, which he plays as beautifully as he writes. The venue is unusual—the lobby of a New York office-building where one lights on Christmas Eve to

boost their overtime. Mr. Broadhurst shines at situations, but offers only a one-thing after-another evening, which even another excellent display of direction of Mr. Jory can't coagulate into a cohesive play. Those cameos are lovely, all the same—Gene O'Neill (not the one who wrote The Iceman sentimental second act is Cometh) as a pea-brained elec-added, really another play altogether. No writer using the secretary, Ray Fry (who is accepted felicities of European-American-Jewish English can help scoring points and can everyone mink for Christmas, Billie Brenan as a distressed widow. The main weight of the play is carried by four black actors, three elevator-men and a shoe-shine boy, which might make it hard to cast this side

less but domestically efficient The first is light-hearted, the second sinister, and both end, with a cleverly placed climax, in an exhibition of female the prospect of the same kind dominance. Ms. Lauro writes of life for ever. Nicely observed, very well. So does Ray Aranha, but his

and Pat McNamara. Yet . . . long monologue Remington is lf you want a really good slice of life, journal beautifully by an eponymous American cooked, California is the place. Writer (best known to us, if at Sunset/Sunrise by Adele Edling all, by his paintings of life in Sbank is played on one of the the old West). There is somemost enchanting sets I ever thing sinister about Remington saw, designed, like all the sets too, for the writing glorifies the in the festival, by Paul Owen. old-time American soldier in his Across the entire width of the campaign to subdue the auditorium there stretches the indigenous American Indians; back patio of James's California and Mr. Aranha, resident play-It includes a 1950 wright at Louisville, is black Pontiac that the boy lives in, a Now there is another piece that

youngest daughter has to speak ballet (with which Baryshnikov because she believes she is has danced). It is well equipped allergic to everything.

I can not detail the story, for which seemed to me amazingly
Ms Shank has 13 characters on cheap, though no doubt the stage almost all the time, and Carter Package will help correct they are never left out of the that The Kentucky Derby is run

WORLD VALUE OF THE DOLLAR Bank of America NT & SA, Economics Department, London

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Anne Pitoniak and Mia Dillon in a scene from Agnes of God.

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Friday March 21 1980

A defensive Green Paper

tative paper on monetary con-sible change — a system of trol is a rather strange docu- adjusting official interest rates ment. It might be supposed automatically in response to that after so many months of movements in the money supply labour, we would now be con- outside its target range. This fronted with one or more than is proposed in order to offer one official proposal for the an alternative way of achieving future development of monetary one of the main merits claimed control in this country, to be for a monetary base system-a discussed with those most rule for ensuring that interest closely concerned. Instead, we rates move quickly and without are presented with some impor- political or other interference tant decisions which are already to check excessive credit firm—to abolish the banking demand, or ease pressure in a 'corset" as soon as is conveniently possible, to abolish the 121 per cent reserve asset requirement, to tighten up the control of bank liquidity, and to apply cash ratios across the whole of the banking sector, and not just the clearing banks.

Peripheral

While we welcome these decisions, they are not consultative proposals-except as to technical detail—and they are rather peripheral to the debate on fundamental reforms which has been preoccupying and dividing the City for many months. On these matters the paper is no longer white, but partly green and quite largely black. The bulk of the discussion is devoted not to setting out pro-posals from the authorities, but to analysing and largely demolishing proposals for monetary base control which have come from the outside.

It is easy to understand this defensive tone, for officials felt they were essentially engaged in a defensive operation; the proponents of monetary base control had won considerable sympathy among Ministers, and therefore this became inevitably the top item on the agenda. However, the result is that the whole tone of the paper is rather forbidding, and unlikely to encourage the constructive discussion of less revolutionary

Furthermore, there is a huge hole in it. The main method in this country of mopping up any excess liquidity in the system created by Government borrowing is the sale of gilt-edged stock, a system which has been widely criticised as expensive and unstable; but there is no discussion whatever of funding, which is at present the subject of a separate official study. If this is not Hamlet with the Prince, it is at least Hamlet without King Claudius.

ment: but it does contain one the fact.

recession.

While it is impossible to do justice to the arguments in the paper in a brief comment, some central issues are clarified, and worth a preliminary

First, the Government has dismissed any idea of altering the target of monetary control. For clarity and consistency Sterling M3 will remain the sole target, though other measures of money will be watched, and there may be detailed changes in definition. Secondly, any long - term attempt to control credit directly is rejected, since it leads only to distortions. For both these reasons, the corset must go—it is distorting the system, and indeed M3 itself.

Judgements It is largely because existing

methods are alleged to have led to delayed adjustments of interest rates that the reformers have been so vocal; but the proposal for a policy operating through the monetary base is rejected for reasons which are certainly weighty, even if they are not conclusive. First, the base has no stable relationship with M3 itself. Secondly, tight control of the cash supply of the banking system is seen as incompatible with lender-of-lastresort operations, which imply that bankable paper can always be turned into cash at a price.

This price—the short-term rate of interest—is therefore seen as the sole effective partner of fiscal policy in controlling money, and the only question left genuinely open is how interest rate decisions are made. In the last resort, of course, it is impossible to make such decisions without making technical judgments, or indeed without consulting Ministers; but we would urge that a stronger presumption of automatic response to monetary con-ditions might help both confid-ence and the officials concerned. The official notion of an indi-What we have, then, is in cator leaves this important pany senses an interim docu- question open, and we welcome

Worrying over

ITALY'S 42ND Government since the Second World War was formed without enthusiasm and ended on Wednesday amidst to be a temporary government. and so it has proved, lasting the east after Tito goes. But seven months, But, with the parin domestic Italian politics it liamentary arithmetic un- has lost far less from Italy's con-changed since last June's electissues than from Italy's con-tinuing terrorism—of which the loggerheads, finding a strong successor to Sig. Francesco Cossiga will be no easy task.

No king-maker

The last crisis continued for 193 days before Sig. Cossiga took office, backed by the Social Democrats and Liberals, and relying on the abstention of the Socialists. His resignation became unavoidable when the Socialists decided to vote against him. But far from being the king-makers, the Socialists appear to have brought the pillars of the temple down on their heads. The Left of the Socialist Party is accusing Sig. Bettino Craxi, the party leader, of leaking allegations of the scandal which forced a party opponent to leave his post as head of ENI, the State bydrocarbons corporation. Sig. Craxi is also accused of flouting party decisions aimed at coming to power with the Communists.

Such Byzantine in-fighting makes it a poor time for the Socialists to seek a larger say in power. Further, in May important regional elections are to be held. The two major parties, the Christian Democrats and the Communists, both believe they gain votes by opposing each other-and such policies usually see themb winning support from the smaller parties.

Last June's elections provided no immediate government but were important in that they saw the Christian Democrats able to maintain their share of the vote and the checking of the apparently inexorable rise of the Communists. Both parties and, in particular, the kidnap contributions to the EEC budget. citing the one- and two-year ment manager, decided to boast pring of Sig. Aldo Moro, the weakness in Rome will affect residential courses on "Gateway about his acument and included former Prime Minister.

Brussels. ping of Sig. Aldo Moro, the former Prime Minister.

Since then the Italian Communist Party has had to bear the cross of the Soviet intervention in Afghanistan as well as anxiety over what might happen in their neighbour to killing of three magistrates since the weekend is only the latest manifestation.

As a party committed to strong policing of violence, the Italian Communists are like the "law and order." But though they condemn and abhor the violence which is increasingly disturbing even the more hard-ened Italians, electorally the Communists pay for it.

In one sense, Italian governmental crises are an integral part of the country's democracy; ensures the balancing of different interests. In another, they are less important than they would be in a country where government was more effective and less devolved than in Italy. Last year, for instance, saw both Italy's longest post-war governmental crisis and the country having a \$2bn surplus on capital and current account

the European Community. But this year what went up is coming down—with the notable exception of consumer prices which rose 22 per cent in the year to February. Growth is expected to fall to less than 2 per cent. the terms of trade are deteriorating and the lira is

International

Then there is the international dimension. Italy holds the Presidency of the EEC. It is to host the Community summit in economic summit. Maybe such factors will not weigh heavily 9 per cent. The Communists believe they suffered not only from their support for the suffered not only the support for the sup ernment of Sig. Giulio Andreotti concern as Italy had been its but from the rise in terrorism main ally in the row over British

The first full and frank 'Budget Speech'

HE FOLLOWING is an extract from next Wednesday's Hansard:-

The Chancellor of Exchequer (Sir Geoffrey Howe): It is a little less than a year since I rose to present my first Budget at this Dispatch Box and took as my theme: how are we to check, and then reverse, the long decline?

I would be less than honest towards the House if I did not admit that the achievements of the first 10 months have been less than the Government had hoped. The Minimum Lending Rate is still higher than when we took office, higher than the rate I announced in my first Budget, and shows no immediate prospect of coming down. We have still failed wholly to come to grips with the control of public expenditure. Indeed my right hon. Friend, the Secretary of State for Industry (Sir K. Joseph), has been honest enough to admit that the historians will probably con-clude that we lost the first six months. I applaud his courage

Nevertheless, we are faced today with a paradoxical situation. The long-term trends are good, but the short-term developments are uncertain. Any government that fails to do well out of rapidly rising oil revenues well over £3bn 1980-S1-and an estimated £12bn in 1983—must have reached a level of incompetence unusual even in this country. We do not intend that

Problem of perceptions

There is also, however, a problem of perceptions. The favourable long-term trends that may seem obvious to some economic and political commentators, and to a good many people in industry and the City, are less than clear to the voters of Southend. Indeed it sometimes appears that they are less than clear even to some of my hon, and right hon. Party as a whole, and occasionally even the Cabinet, do not understand what is hap from our mistakes.
pening, then it is not surprising I now propose to that the country is confused.

It is for this reason, Mr. Speaker, that I have chosen to introduce a new political section into my Budget Statement. As of a number of innovations. The have read malicious stories in the Press suggesting that this is because Ministers failed to agree on spending levels in

If I may take the whole House



something in common

occur to us, though it had in opposition, that there was a case in its own right for publishing expenditure revenue and estimates on the same day, as indeed they do in other civilised countries. In future, however. we intend to make a virtue out of necessity: simultaneous pub-lication will become the normal practice. That is only one of the many examples of our stumb-ling into the right policies by

The truth is, Mr. Speaker, that this Government has spent the first ten months learning how to govern. The impression has got around that it looks like any other British government in the last 20 years or so rather earlier in its life than might have been generally expected: that is, accident-prone, beleaguered and not in command of events. Again, that impression is partly correct.

The difference is that we believe that the time is ripe for the sort of policies which Friends. If the Conservative this Conservative Government wishes to put into effect, and we have an ability to learn I now propose to discuss some

of the lessons that we have learned so fer. With hindsight it can be seen that we did not cut public expenditure deeply into my Budget Statement. As enough or fast enough. We a matter of fact, it is only one failed to heed the political maxim which says that any House will have noticed that for government must take the most the first time the Public drastic and unpopular measures Expenditure White Paper is as early as possible in order to the Budget Hon. Members may the next general election. In particular, we did not attack sufficiently the bureaucracy of central and local government. We kept the Clegg Commission on comparability in Civil Service pay, even though few of

to persuade the private sector the seriousness of our

That is a mistake with which we may have to live until the oil revenues bale us (Hon. Members: "Oh!".) Speaker: Order, Order, Sir G. Howe: For there is

another lesson that we have learned. Mr. Speaker, and it is this: you do not seek to make minor savings, however ideo-logically attractive they may seem to some of us on this side of the House, if the political cost is liable to be disproportionate to the money gained. Hon. Members will be aware

of the example in another place two weeks ago. It concerned school buses. If I may say so, the speech by my noble Friend (Lord Butler), who seems to have confused his identity with that of Martin Luther, was among the most fatuous and self-important that it has ever bc 1 my pleasure to read. (HON, MEMBERS; "More.") I also noted with interest his remark that he will be "having to support the Government's economic policy, whether he likes it or not." My noble Friend has lost none of his ambiguity with time.

Forseeable defeat

While thanking him for his support, perhaps I should take this opportunity of pointing out that this Government is populist as well as Conservative. It is not above seeking to reform the other place.

into my confidence for a us on this side of the House The fact is that the defeat in the moment, those stories are could defend such an approach other place was foreseeable and entirely true. It simply did not intellectually. Yet without made us look silly. We should

sums of money.

Speaker, whatever Hon. Members may have read in the Press, we shall not be proceed-ing with plans for the reduction of social security and unemployment benefits. (AN HON. "Shame!") The MEMBER: potential savings are too small caricatured by the media, any

> worth the candle. Mr. Speaker: Order, order. The right honourable Gentleman has already indicated that he is not giving way, even to his own side.

other lesson that we have learned, before I turn to a final, general point in this political our policies. We have stressed the need to control the supply Left in using such terms as of what could be done. "de-industrialisation." I did so I now turn to my closing myself in the confidence debate remarks in this section. I am three weeks ago. Even in our sure that my right hon Friend own ranks there are calls for the

bring down prices. other place. we are moving consists of the wood for the trees. (HON. That, however, is to digress. smaller units, greater freedom MEMBERS: "OH!"). We The fact is that the defeat in the of choice and less bureaucratic usually manage to hit the nail

setting an example of saving in have foreseen it and withdrawn. need hardly remind the House the public sector, it is difficult. It is not worth creating that that if there had been no amount of aggravation for minor British Steel Corporation, there ums of money. Would have been no national For the same reason. Mr. steel strike. We should welcome the opportunity of getting out of the old, dirty and unprofit-able industries at a time when we are cushioned by the oil That is the new industrial revolution.

- -- -- Financial -i mies

Let me give one example of the way we have failed to sell and the political costs too high. our policies in advance. Later We do not want to be this afternoon I shall be giving the House details of our promore than we are already, as posals for wider share owner-grinding the faces of the poor ship. There are many possible and the unemployed. With so variations, some of them based many things going for us in the longer term, it is simply not Monory in France, a country for which, incidentally, we have the greatest degree of respect and admiration. (AN BON. MEMBER: "Sheepmeat!")

It may be that the British needs are different in that we Sir G. Howe: There is one already have a well-developed ther lesson that we have stock market. But, in retrogramed, before I turn to a final, spect, I freely admit to this House that it was a mistake not section, and it concerns what is to have had more advance sometimes known as "presenta- public discussion about what we tion" or "communications." Too propose. Wider share owneroften. Mr. Speaker, we have ship is an essential part of Confailed to put the positive side of servative policy: there are greater opportunities for it now the need to control the supply than ever before. North Sea oil of money, but not the benefits is an example. Yet my prothat will flow from winning the posals this afternoon are battle against inflation. We have coming almost out of the blue fallen into the vocabulary of the and, to be honest, fall well short

Minister import restrictions, as if they Thatcher) will not mind my would do anything at all to saying that this Government has sometimes given the im-Yet the society towards which pression of being unable to see are moving consists of the wood for the trees. (HON. maller units, greater freedom MEMBERS: "OH!"). We interference—as events in the on the head in the end, but it steel industry well illustrate. I it sometimes the wrong nail.

There has been an aura of great attention to detail but rather less standing back and taking the strategic view. Some might say that there has been too much of the sergeant-major, and too little generalship.

I am happy to be able to tell the House that this period is now over. Part of it may be put down to what I said earlier about needing time to learn how to govern. Some of my colleagues were, quite frankly, intimidated by their Depart-ments and the number of Ministerial boxes, let alone tha demands of the Treasury. Very few of them, it appears, had learned the real lesson of the Crossman Diories, which is that a government is only as efficient as its wants to be and that the example has to come from the top. We need a general standing back from the fray and not interferring with the supply of victuals.

At our informal gathering at Chequers last weekend, how-ever, we finally stumbled on a political truth: that is, that it is necessary for Ministers to talk to each other. It is a well-known experience that this does not happen at meetings of the full Cabinet: they are too short, too formal and the Cabinet is too large. Besides, all sorts of other considerations have to be taken into account, like when is the best time to mount a revolt? Or, again, if a Minister rebels against the Treasury line outside his own field of interest, will the Treasury not then take it out on his own Department?

Contradictory elements

It may come as more of a surprise to the House-or perhaps not—that the Cabinet Committees have not been working too well either. There is still too much detail and too little strategy. Too many Ministers are anxious to look after their own Departments, but not to co-ordinate with others. That is why we have seemed so often to be pursuing contradictory policies. It was not always clear that one Department knew what another was doing: hence the cod war in the last Government. The House will not expect me to give present examples. (HON MEMBERS: "Hear, hear.")

Anyway, at our meeting at Chequers, which will be the first of several such gatherings, we all finally realised that we are, after all, on the same side. Moreover, if we can stop being bogged down in short-term detail and inter-departmental squabbles, the long-term prospects are really rather good. The only way this Government can fail is to destroy itself.

I now turn to the economic section of what is a basically neutral, uncontroversial Budget.

Malcolm Rutherford

MEN AND MATTERS

Class war on Barnsley campus

I hear from dispatches from the northern front that hostilities have broken out in what Tory locals call "the Independent Republic of South Yorkshire." The battle ground is the campus of the Northern College near Barnsley which Yorkshire industrialists want to close down. "We would close it tomorrow if we had th echance." says Douglas Iveson, secretary of the Sheffield Chamber of Commerce.

The trouble, according to Iveson, is that the college. which is intended to give working people a "second chance" at education, fosters leftist dogma, and will soon be turning out a peculiar breed of disruptive post-grads. Since college has been going for less than two years, however, its students have yet to emerge and exhibit their alleged aggression in local industry.

The industrial sector has opposed the college since it was and the highest growth rate in established on the grounds that it is too expensive and that its constitution, council and syllabus are too heavily weighted most companies in the area have refused to support it, but it has so far survived with grants from the Department of Education and the four local (Labour-controlled) councils.

> The college council of management. Iveson points out, consists entirely of councillors and trade unionists (including the ubiquitous Arthur Scargill). The products are likely to be divisive on the shop floor," he concludes. He insists that the students could be better and more cheaply trained in a "normal" college, mixing with youngsters with management potential and studying a wider

> range of disciplines. Look at some of the things on the syllahus," he complains.



and now for Debbie of Golders Green . . . How Deep Is The Ocean' sung by . . ."

and their lives with a view to making a major change." "Two years for that." he scoffs. "You could do that in 10 weeks."

Wrong number

A little bit of boasting in the towards the left. As a result, annual accounts by the investment managers of Foreign and Colonial Investment Trust has gone sadly awry. At the end of FCIT's financial year, December 31. dollar borrowings amounted to \$38.5m. But the canny investment managers had been shortening the life of all the foreign currency loans with a view to swopping in and out of different currencies to take advantage of relative weak-

By the end of February, when the accounts were printed the dollar borrowings were down to \$10m (they have now been totally replaced) and the money had been rollde over into yen. Swiss francs and German marks to significant advantage.

Michael Hart, the joint invest-ment manager, decided to boast

report outlining the February

Unfortunately, during proof sharp-eyed reading some director, cross-checking with the balance sheet, reinstated the figures for the year-end, wiping out at a stroke all Mr. Hart's shrewed manoeuvres. Even more unfortuantely no one saw the anomaly until yesterday and the company has now had to publish an embarrassed admission that what had been meant month or so with more than as a piece of gratuitous boasting usual interest. ended up as an error in the report and accounts.

Express post

The Post Office, while it may not be enjoying peak popularity at home, has certainly caused a stir in New York. My colleagues in the U.S. tell me of commuter-jams in the concourse of Grand Central Station where the PO is staging a novel philatelic promotion stunt. Curious New Yorkers are being drawn in droves to a model railway circuit around which race scale-models of the pride of British Rail's fleet past and present.

The aim, I hear, is to promote sales of commemorative stamp issues. Travellers are being asked to study the models and vote fo rthe one they consider the most attractive. For the purposes of this demanding challenge, the PO has put on show the Flying Scotsman, BE's high-speed train, the Cornish Riviera and a workday freight train. A draw will be made at the end of the month when a dozen winners will be treated to a free five-day excursion to

Lighting the way

Despite the revolution, I can reveal commercial enterprise in Iran is not dead. Citizens well used to the clutter of Khomeini ephemera - posters, pictures, badges and the rest-are now being tempted with more substantial offerings, such as the Khomeini light bulb. When the

lamp is switched on, the outline of the Ayatollah's head glows with 60-watt power.

Straw in bricks

Accountants and others forbidden to advertise by their professional organisations will be watching developments at the Royal Institute of British Architects during the next

A recent survey of RIBA members suggested that more than 60 per cent favour a change in the rules to allow members to approach potential clients. The present code prohibits this. Beyond that, 70 per cent favour a more relaxed approach to directors' entries. Although the membership is almost equally dividend about Press advertising, 13 per cent of the pros (mostly younger architects) would also favour radio and television advertising.

The subject has been a matter of controversy for years, with all sorts of arguments being thrown into the pot. One goes that advertising would favour the bigger practices, and kill off smaller ones. Another runs that advertising and direct approaches are the only way in which small practices can make their existence known.

Whichever view is right, changes are expected to be agreed by the RIBA council in

Hidden message

Stockbrokers Phillips and Drew rate themselves highly among the City's ranks of experts in the controversial field of inflation accounting, in the promotion of which, incidentally, the accounting profession has suffered more than one nasty reversal. Now I see that P and D plan a seminar next month on current cost accounting in, of all places, the Museum of London.

Observer

How much do you want to leave the Taxman?

If your answer is "a lot" then stop reading. But if you want to leave no more than you are obliged, read on - especially if you would like to be remembered for helping to make the world a happier place.

Few people, other than solicitors and accountants, realise how heavily tax now eats into even a modest estate as a result of inflated property values - and even fewer realise that a bequest to charity need not cost an estate its full value to the

At Help the Aged we have prepared two helpful booklets on this subject. One on all the aspects you need consider before instructing your solicitor, and the other on how to reduce the effect of Capital Gains Tax, by making a bequest to

We also have a well-established plan enabling house owners to benefit both old people and themselves, by bequeathing their house for the benefit of old people, yet continuing to live in it freed from the burden of maintenance and rates. We will even convert a portion as a self-contained flat if the house is now too large.

If you are considering your financial affairs and would like to help genuinely needy old people in Britain, or overseas, write for copies of the booklets, and if it interests you, for details of the unique house bequest plan. They will gladly be sent without obligation. Please write to: Hou. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room FT3L, FREEPOST 30, London W1E 7JZ (No stamp needed).

physicist who converted the

Swedish Prime Minister, Mr.

Thörbjorn Fälldin, to the anti-

nuclear cause, has stressed the

In fact, the outcome will

Sunday's plebiscite.

The puzzles of a nuclear power poll

and whatever the result, the Social Democrats will doubtedly try to exploit it to bring the non-socialist coalition

SUNDAY'S REFERENDUM IN SWED!

There is further reason for confusion. The Swedes are not being asked to accept or reject nuclear power outright but to decide on the pace at which the retreat from atomic energy is THE SWEDISH referendum on to be conducted. If the referen-Sunday was to mark a milestone in the history of dum alternatives are taken at their face value, somewhere atomic energy. Sweden is the along the line without a vote first country with an advanced being taken in the Riksdag (Parnuclear industry, and with nuclear power plants operating, to submit the future of that inthe next 25 years. dustry to the direct vote of the

Proposal One (the Moderates) and Proposal Two (Social Democrat and Liberal) state in people. Professor Hannes Alfven, the Nobel Prize-winning identical wording that no more nuclear power plants shall be built after completion of the current 12-reactor programme. international significance of The three "pro-nuclear" parties have committed themselves to phasing out nuclear energy.

probably be inconclusive and is The anti-nuclear proposal Three (Centre and Communist) likely to perplex rather than encourage foreign proponents or antagonists of nuclear power. calls for an immediate stop to nuclear power development and It threatens, too, to have a very the closing down within 10 confusing aftermath in the domestic political field. years of the six reactors already operating.

The confusion is already Thus, the referendum gives evident in the line-up of the Swedes who believe in the longpolitical parties behind the term utility of nuclear power three alternatives from which To chance to express their belief. voters are asked to choose. The Equally the Swede who is conocialist Centre Party of vinced that nuclear power is Mr. Fälldin joins hands with the Communists to promote the mortally dangerous will have to live with it for the rest of this decade, even if the onti-Of the other two parties in the Government, the Moderates nuclear proposal wins.

Constitutionally the referendum can only be "advisory." The power to decide rests with the Riksdag but all five parties have declared that they will accept the outcome of Sunday's poll. How they are to agree on implementing the results, how-ever, remains a mystery.

Political compromise brought administer the result of the about the referendum and has referendum is thus split in three at the same time sidetracked last year transformed the situa-

SWEDEN'S NUCLEAR POWER STATIONS

Sweden has six nuclear power stations in operation, two completed and ready to be fuelled, two in the final stages of construction and two planned. They are situated at four coastal sites. Those built by Asea-Atom are of the boiling water type while Westinghouse is supplying pressurised water reactors.

Station	Planned MW output	Operating date	Owner	Manufacturer	billion kronor
Oskarshamn 1	440	1972	OKG	Asea-Atom	0.49
Oskarshamn 2 Oskarshamn 3	580 1,060	1974 Work not Started	OKG	Asea-Atom Asea-Atom	0.70 7.0
Barsebäck 1 Barsebäck 2	580 580	1975 1977	Sydkraft Sydkraft	Asea-Atom	1.0
Ringhals 1	760	1975	State	Asea-Atom Asea-Atom	<u>1.1</u> 1.1
			Power Board		
Ringhals 2	820	1975	State	Westinghouse	1.2
Ringhals 3	900	completed	Power	Westinghouse	21
Ringhals 4	900	building	Soard	Westinghouse	2.1
Forsmark 1	900	completed	FKA	Asea-Atom	3.1
Forsmark 2	900	building	FKA	Asea-Atom	4.0 +
Forsmark 3	1,060	work not started	FKA	Asea-Atom	7.0

Stora Kopparberg, have shares in OKG. FKA is also a consortium with the State Power Board as the main share-holder. It includes Stockholm munici-

on 7 per cent. If the 12 are completed, the State share to 58 per cent with private holding 18 per cent.

tion, because Mr. Olof Palme, whose previous Social Demo-crat government had been firmly (in the proposals offered to voters) the basic issue raised by the anti-nuclear movement, pro-nuclear, changed course and namely, is nuclear power good opened the way for the referenor bad, safe or dangerous? The compromises started in 1976 when the three non-socialist parties ousted the Social Demo-Party and the Communists had been calling. His move, a compromise with the anti-nuclear lobby within crats from government for the

first time in 44 years. The anti-nuclear stance of Mr. Fälldin was credited with attracting the crucial votes in the general election. The struggle between the pronuclear attitudes of his Moderate and Liberal partners and Mr. Fälldin's conscience broke the coalition after two years. The accident to the Three Mile Island reactor in the U.S.

which allowed the non-socialists to resume their collaboration and form a Government. This series of compromises has been motivated both by the

referendum was the compromise

socialists and non-socialists and by all parties' efforts to react the anti-nuclear movement.

The People's Against Nuclear but it has also succeeded in his own party, kept the nuclear making inroads into the ranks of all the national parties. It issue out of the 1979 general election but did not prevent the is strongest among the under non-socialists from snatching a 35s, attracts more women than one-seat majority in the Riks-dag. The decision to hold a men and is backed by most popular artists. One person prominent in the pro-nuclear lobby complained about the difficulty of discussing technical details of nuclear energy with

power struggle between

embraces several environmentalist and minor political groups

economic consequences of a nuclear shutdown within 10 years. Most professional econ-omists rally to the "pro-nuclear" arguments on this score. guitar players.'

Industry and the Moderates have hammered away at the absurdity of a country which consumes more energy per Although it is not accurately capita than most others and

The Queen opens new

at Innerleithen; and an animal

The Moderates, using the

have most strongly attacked the

"Energy for Sweden'

in rock formations.

the arguments.

slogan

GENERAL

dry, Workington.

through cities and towns.

reflected in the wording the which has invested so much in political parties have given to nuclear technology discarding the three proposals, the "real" this source of energy at a time referendum concerns the con- when it is importing oil to meet frontation between on the one 70 per cent of its energy needs side the People's Campaign and and is running up foreign debt on the other side private indus- to cover the deficits caused by

try and the nuclear technolo- oil price increases. gists. Industry and employers The six nuclear power stations have spent heavily to promote in operation accounted for 22 the nuclear cause. The People's per cent of electricity produc-Campaign has collected substantion in 1979. By the end of the tial amounts in small private decade the 12 plants planned contributions and has had many would be supplying over 40 per people working at the grass-roots. Last Saturday it output.

mobilised some 120,000 to march

The committee appointed by

the Government to examine the In this confrontation nuclear consequences of a 10-year safety and the economic consequences of a 10-year phasing at some Skr75bn (£7.68bn), of out of the nuclear power stations which about Skr50bn would be have been the most hotly con- needed for investments tested issues. The two sides alternative power plants and to divide over the risk probability cover increased operating costs. of a melt-down of a reactor core It did not attempt to calculeading to a boiler explosion late the economic cost of the which could release dangerous adjustment by Swedish industry radiation doses. The anti-nuclear to a non-nuclear situation in lobby has also queried the safety 1990. The restructuring entailed storing highly radioactive would be considerable and would call for much greater nuclear waste in underground rock chambers. Geologists differ labour mobility and investments in new types of production.

about the effect that seismic tremors could have on the joints In the pulp and paper, chemical, steel and aluminium indus-The probability measures tries, all big consumers of adduced by the experts, even the radiation comparisons with energy, companies have been holding back investments until the statistically greater hazards the result of the referendum of smoking, driving and pollu-tion from coal and oil burning.

The public opinion polls have so far suggested that industry remain arcane. People's subjective perceptions of the risks have probably not been changed by They indicate that the "pro-nuclear" proposal will collect 50-55 per cent of the votes with support for the anti-nuclear proposal varying from 35 to 40 per

> But the number of people who have not made up their minds appears to be high. The polls may also have underesti-mated the anti-nuclear senti-

23

MR. THORBJORN FALLDIN Sweden's Prime Minister

supporters to avoid complac

The closer the result, the more trouble the Swedish political system is likely to have in handling it. Should the anti-nuclear lobby triumph, Sweden would be committed to a 10year nuclear phase-out, the tension of administering the decision would probably break the non-socialist government and the race to introduce alternative energy sources would severely stretch the economy.

A "pro-nuclear" win would give the country a quarter of a century to develop alternative resources but it, too, would put great strain on the Prime Minister and his Centre Party. Mr. Fälldin has said that the anti-nuclear campaign would

The longer time span could allow some political re-thinking about nuclear power, however, Mr. Bohman, the Moderate leader, among others has pointed out that the referendum results cannot bind the next generation of politicians or future governments.

not stop.

The conclusion may be that a referendum is not a ment in rural areas. Several judicious instrument for solv-"pro-nuclear" leaders, including such matters, at least not ing the Moderate leader, Mr. when it is so distorted by Gösta Bohman, have urged their political compromises.

Chester Waterworks,

45 Boughton Street,

Letters to the Editor

Trade unions and industry

anti-nuclear alternative.

(Conservatives) campaign alone

for a restricted expansion of

nuclear power without political

strings. The Liberals have sided with the opposition Social Democrats in proposing limited

nuclear power under public

From the Chairman,

Kitchen Devils Sir,-Surely your correspondent A. L. Beard (March 13), was joking when he wrote that all our industrial ills could be laid at the door of trade unions. This premise is dangerous in so far it blurs major reasons and issues which all contribute to the decline.

For example many will remember the comprehensive report published by the Finan-cial Times which followed the collapse of Norton Villiers. This showed that the latter's machine tools were in many cases 20 years old or more. Further that ted to £1,500 per worker per annum. Honda at that period was spending £7,500 per annum. (London), per worker. And Honda's wages and salaries were superior to that of Norton Villiers.

The current minimum lending rate at 17 per cent is causing havoc among exporters case histories can be read From Mr. E. Koops almost each week Another Sir,—It is simply factor which cannot be omitted your insurance correspondent is the flood of foreign goods (March 17) to state that it is tenance costs.

"passed off" as British by academic as to whether the wirtue of being sold under employer or employee pays the British brand names. Successive cost of private medical cover. to modernise the Trades Description Act and provide the latter with some teeth. Andagain unfair competition, a description and the latter with some teeth.

Heaven knows that the trade union movement has it's "warts" — but to blame all our troubles on it, is both simplistic and obscurantist. H. G. Bearston.

Kitchen Devils, 261, Goldhawk Road, W12.

Friedman on TV

From the Chairman, Free Trade League and Cobden Club Sir.—I was most interested to Sir,—I was most interested to read Chris Dunkley's review (March 19) of Milton Friedman's series on BBC2. I think Chris Dunkley flatters himself would be a considerable saving minerals and road vehicles. if he thinks that, given a film for the country, individual crew, etc., etc. he would be initiative encouraged, and fairable to present as convincing a series. I am astonished that he exist a series are a series. I am astonished that he convide a series are a series as a series are a series are a series as a series are a series are a series as a series are a series are a series as a series are a series as a series are a series are a series as a series are a series as a series are a series are a series are a series are a series as a series are a series as a series are a series are a series are a series as a series are a series considers Milton Friedman who has been trying to prove that black is white. I should have thought that very largely he was trying to show that the way to hell is paved with good inten-tions and that there is enormous waste in welfare schemes paid for out of taxation.

Many years ago Winston Churchill referred to "robbing Peter to pay Paul and charging the public a heavy commission on the job." Milton Friedman shows that the same forces are at work today and that these forces have approximately the same effect whether they apply in the United States, in Britain,

others who have taken part in the televised discussions with Milton Friedman. To suggest that they have come to their task ill-prepared surely is an unjustified slur. I am certain that all the members of the

number of years, if not the the methods, weakens the whole of their adult lives. It degree of control. Communism exemplary courtesy to the members of the panel and the way that he dealt with their arguments and comments. Unfortunately, not all the members of the panel dealt with Profes-

degree of courtesy. I would agree that the programmes were too short to affect full conversion. I detected. however, distinct signs that the ingrained ideas of some of the panel members had been shaken their contact with the

sor Friedman with the same

Professor! Tower House, N20.

Private medical cover

again unfair competition, a he therefore pays tax on the classic example — does Mr. benefit Thus to take a simple Beard not know that he can buy I ton of Korean teaspoons in London, cheaper than a ton cent, and with premiums of £100

British food of steel strip manufactured anywhere in Europe? France is as follows: if paid by the
allows such products to be imported only on quota.

tent, and with predictants of 2100
en annum the incidence of cost
is as follows: if paid by the
employer, there is a taxable
benefit of £100 and tax of £40 payable by the employee; but if paid by the employee, then the before tax income he/she requires to pay the premium of

£100 is £167. Thus the current practice clearly discriminates against the doing to strengthen our health processing industry is the services. I would hope that this second largest in the world. services. I would hope that this Government will make premiums paid directly by employees an

Clavering Essex.

Outcome of a nuclear war

ventional (obsolete) weapons. Which ever side is losing will reach for a more deadly weapon in self defence. Once nuclear Europe House,
war has started there can only East Smithfield, E1. war has started there can only be losers and a highly populated island such as ours will lose I think Chris Dunkley is less than fair to the distinguished industrialists, economists and others who have taken part in the televised discussions with the same such as ours will lose most. Discussion about the numbers who survive is not relevant. What is relevant is what sort of world will we leave the televised discussions with

unjustified sinr. I am certain that all the members of the panel came fully prepared, according to their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights, to do really worse? The practical difficulty of their lights of their lights of their lights.

has been fascinating to see the may develop in less objectional difficulty which some of them ways, after all, the intentions have found in dealing with the are nominably noble, even if the arguments and the examples put results are deplorable. Nothing forward by Professor Friedman. surely could be worse than a In passing may I mention his world devastated by radioactivity and inhabited by

curious mutations. N. B. B. Davie-Thornhill, Stanton Park Farms, Hinderclay Hall, Near Diss, Norfolk.

Methods of travel

From Mr. R. Thomas Sir,-Mr. Dangoor (March 18) does have a point. He does not, however go far enough in his comparison of methods of

fifteen miles round trip, would cost £1.40 by Underground and can take up to one and a half hours each way. Hence I make use of that marvellous piece of machinery, the bicycle. My journey time is around thirty-five minutes each way and I Sir,—It is simply not true for have no fares nor parking your insurance correspondent charges and very modest main-

King Edward's Mansions,

processing

From the Director
British Food Export Council
Sir,—I have read with interest
the comments (March 11) made
by Mr. Brian Gardner, the European director of Agra Europe. I am particularly intrigued by the suggestion that in Britain there is "a lack of any large scale individual. While I applaud all trade in food and food protact our Health Ministers are ducts." In fact the British food

Although Britain is, admittedly, a heavy net importer of foodstuffs, I feel it should be allowable deduction for income foodstuffs, I feel it should be tax purposes, just as they are noted also that the food industry allowable for companies when is one of the most important excomputing their tax payable. porters in the country and, Since treatment in private indeed, in 1979 food and incurring homes often country. For over a century Britain has led the world in developing

the technology of food processing, and has a worldwide reputation for importing raw materials for processing and re-export-This council is planning, over the next three years, an annual growth rate of 5 per cent in real

From Mt. N. Davie-Thornhill.

Sir.—I find the current correspondence on defence unrealistic. We cannot hope to contain any future war to representing 64.9 per cent of total food exports of £1.75bn. Alan M. A. Battle.

Public sector

panes came runy prepared, domination of the world and sale/service activities as stop?

according to their lights, to do really worse? The practical diffibility is disturbing that such a and sale/service activities as stop?

battle for ideas which many of culties of controlling the world significant proportion of resuggested in the report can be a John Mills.

them have held for a great population, however ruthless search is undertaken by the valuable element in career 72, Albert Street, NW1.

public sector, but I have no doubt the private sector could put forward many reasons why it has tended to curb its activities in this field.

One can argue whether British Rail's technical centre at Derby has been commendable or not. It must be borne in mind however, that over the past twenty to thirty years railways have hardly been a glamour industry in this country; and one must therefore ask whether pri-vate industry viewed railway research as a risk worth undertaking.

During this period the general situation of the railways has been exacerbated by critical pronouncements from a very powerful road lobby which has helped to ensure a steady reduction of government investment in the railways-not for BR the opportunity of a steady ordering programme which the German state railways enjoys, and to which your correspondent refers! The current cash cuts for BR serve only to illustrate the Correct that the Correct the Correct t that Government thinking on investment in nationalised in-dustries shows little change.

trial strategy we might have retained a small thriving group of railway rolling stock manufacturers, each with a research division possibly even export-orientated. Nevertheless, it can at least be argued that BR has ensured a UK manufacturing base and research facilities which can be developed to cater for BR's own demands and the export market in the forseeable future. In this respect the situ-ation looks a little better than the present state of the indigenous road motor industry. It would seem that the investment here of a little of North Sea oil revenue would be money well

spent. M. H. Williams, Room 307, West Side Offices. Kings Cross Station, N1.

The engineering dimension

From Professor R. Thomas
Sir.—The critique of the
Finniston report by Professor
Houlden and Mr. Hill (March
17) highlights the dilemma in
reconciling its initial analysis
and the subsequent prescription.
The indictment of management
in manufacturing represented in manufacturing represented in the analysis rightly leads to the definition of "the engineer-ing dimension" in strongly market-oriented terms in which the technology, whatever its "height" is geared to customer satisfaction. Yet as the many successes of UK manufacturing demonstrate, the Finniston aim of moving into "higher" tech-nology as a condition of indus-trial survival needs restatement. There is a danger of interpreta-tion—as your correspondents deposits increased from 1.72 in 1926 to 2.42 in 1929. The prob-lem was the demand for credit, for its own sake, when what is surely being argued is the case for "high added value." not the supply of money.

A fixed monetary rule would not have prevented the collapse

in the recommendations.

bound to agree with Professor the Commonwealth.

Houlden and Mr. Hill. The Experience since t well as technical knowledge and planning/programming technique. Exposure to marketing sion have reduced stop-go to

development, but all this is to be made dependent on the very managements that are criticised in the earlier analysis.

The second point, the recom-ended "inputs" and the mended responsibility for their provision, therefore puts an enormous weight on the powers of the projected engineering authority, for the "inputs," while highly commendable, have still to be achieved by some form of joint action by managements and those concerned with the education of engineers. It is here that three factors need to

be considered. The first, as your contributors rightly warn, is that of balance, both between "business" and "technical" inputs, and within "production" between social/ economic and programming aspects. The second is in the whole approach to teaching and

approach. The various new degrees now being launched involve not only Perhaps under a better indusrial strategy we might have
retained a small thriving group
of railway rolling stock manuacturers, each with a research

left damens the balance, but even
a change in balance, but even
more in methods of learning.
Only in this way can the synthesis of "the engineering dimension" be achieved.

There may be a strong case for longer preparation for the engineer as such, but it will take a long time for the Finniston proposals to have sub-stantial effect. The engineering dimension is needed now. The challenge is how to get the change of emphasis across before deindustrialisation pro-ceeds much further. (Prof.) R. E. Thomas,

University of Bath. Claverton Down, Bath.

A currency commission

From the Secretary.
Campaign for a Competitive
Exchange Rate
Sir,—Your readers should not

Sir,—Your readers should not be deceived by Mr. Edward Holloway's excursion into history (March 7) into thinking that the setting up of an independent currency commission operating on fixed guide-lines would do anything but compound the problems which face us at the present time.

The collapse in 1929 had nothing to do with the money supply. The United States Federal Reserve was operating just as an independent commis-

just as an independent commis-sion would have done. The money supply was rising in step with output in the period 1926-1978 and prices were stable, but 1978 and prices were stable, but wages had not risen as fast as productivity and this gave rise to a profit inflation. The velocity of circulation of bank deposits increased from 1.72 in 1926 to 2.42 in 1929. The problem was the demand for credit.

To attain this requires the from extending to the UK and strong business element recognised in Finniston's definition it would certainly have impeded the recovery. This was facilities of "the engineering dimentated by an increase of 7 per covery."

The question wintly a facility of the recovery of the recovery. sion." The question rightly cent in the money supply posed is whether the business between 1929 and 1933, despite management element in that a fall of 10 per cent in GDP, dimension is either correctly but the driving force was the diagnosed or adequately treated devaluation of 30 per cent and devaluation of 30 per cent and the increase in tariff protection On the first point one is for our goods at home and in

Experience since the war tells operations management role is the same story. The money a very demanding one in terms supply rose in step with outof social and political skill as put between 1949 and 1961, but

Today's Events

research establishment at Blythe COMPANY MEETINGS Bridge, Sir Peter Gadsden, Lord phoric acid complex at Albright

Mayor of London, attends launch of appeal for St. Bartholomew's and Wilson's Marchon works Whitehaven; and opens new British Steel Corporation foun-Conservative Central Council Home Video Show opens at Cunard International Hotel, two-day meeting opens, Bourne-

Second day of Scottish Liberal conference, Rothesay. Mr. Albert Booth, Shadow Members' motions.

spokesman on transport, speaks at Kendal Labour Party on The OFFICIAL STATISTICS Prince Charles visits Exacta Circuits, Selkirk; a textile mill

Department of Transport pub-lishes new vehicle registrations

dividends:

Chester, 4. Drayton Far Eastern Trust, 117 Old Broad Street, EC, 12.15. Glasgow Stockholders Trust, Ashley House, 181-195 West George Street, Glasgow, 12. Initial Services, 300 Goswell Road, EC, 11. Wearra, The Rugby Post House, Crick, Northamptonshire, 12. Hospital: dines with Company of Chartered Secretaries and Administrators, Mansion House.

London (until March 25). PARLIAMENTARY BUSINESS House of Commons: Private

Final dividends: Carlton Indus tries. Gibbs and Dandy. J. Hewitt and Son (Fenton). Williams and James (Engineers). Interim dividends: Bridport - Gundry (Holdings). Pifco Holdings. Interim figures: The Berry Trust.

TAUSTIN REE



bridge, Cheapside, Fenchurch Street and Brent Cross.

AUSTIN REED

Also Bath, Birmingham, Bournemouth, Cambridge,

Chester, Dublin, Edinburgh, Glasgow, Guildford, Leeds.

Manchester, Norwich and Oxford.

ch do rou a leave ixman.

Barclays dividend boost as profit leaps by 42%

CONTINUED expansion of the elearing bank business which benefited substantially from high interest rates was the major contributor to a 42 per cent rise in Barclays Bank pre-tax profits from £373.3m to £529.4m in 1979. The UK side expanded by 70 per

Shareholders are rewarded with a 36.6 per cent increase in the total dividend which is up from 13.5439p to 18.5p-the final is 10.25p per £1 share. Stated earnings per share are 150.5p against 105.3p.

A one-for-five scrip issue is also proposed and it is boped to maintain the dividend rate for 1980 on the increased capital. The dividend increase takes account that distributions since 1973 have fallen behind the inflation rate, Sir Anthony Tuke, the chairman, says.

Sir Anthony says stockholders
"and indeed all those concerned the group's subsidiaries have with out results" would expect the bank to perform well in the present circumstances in order to provide the strength Barclays vill need when interest rates

fall.

"We may then be balancing a lower income against higher costs in a period of economic stringency," the chairman adds.

Profits on a CCA basis are £355.8m against £290.3m and net profits are £193.8m (£154.8m).

The loss account, mose for the last three months of 1978—approximately £40m before tax—being placed direct to reserves.

Operating profit of £50.2m (£248.3m) is stated after charges for bad and doubtful debts of £555m (£22.8m); losses of £12.3m on realisation of investments of the last three months of 1978—approximately £40m before tax—being placed direct to reserves.

E	sig four c	OMPAI	RED	
		QUOTE	% incr	0.456
		profit	Group	UK
Barclays		529.4	42	70
Lioyda		276.6	49	90
Midland	* *********	315.D	36	70
National	Westminster	441.5	44	67

Profits before loan interest and tax amounted to £546.8m against £391.6m with Barclays Bank contributing £325.4m (£188.2m); Barclays Bank International, £150.2m (£136.6m) and Mercantile Credit, £36.9m against Contributions from Barclays Merchant Bank was £7m (£10.3m) and other subsidiaries and associates. £27.3m

Despite a strong pound and had and doubtful debts amount accounts. There were no long narrow spreads in the Euroto £379.8m (£400m) being term contracts in 1977-78.

dollar market which made profits harder to earn. Barclays Bank £145.1m (£111.1m) general. Both recommending an increased Despite a strong pound and International achieved a satis-factory increase of 12 per cent to are gross without deduction of tion since May 1979 from the general less £5.5m (£2.3m) newly acquired finance company, recoveries of amounts previously

on realisation of investments other than trade investments (£14.3m) and depreciation of £58m (£40.9m).

Of the increase in the depreciation charge for 1979, some £11m is due to revaluation of

properties and reclassification of

£162m (£135.5m) but is reduced

by £109.5m (£59.2m) due to

deferment of tax liabilities for

which provision has not been made. Total amount of potential

deferred tax not provided at December 31, 1979, is £314.6m

Provisions at December 31 for

(£183.7m).

Lex examines the reaction to the proposed redefinition of the monetary base and details the many causes of Stone-Platt's missed final dividend and a net attributable deficit for 1979 of more than £17m. Barclays closes the clearing bank reporting season and the column also looks at the latest figures from the Dutch electrical giant, Philips. Included in a long list of company profit announcements were C. T. Bowring, the major insurance broker facing imminent attack from Marsh and McLennan Tricentrol, which is diversifying from its prosperous North Sea base, and Hepworth Ceramic. Despite a further contraction of many of its main markets, Hepworth more than recovered from a very difficult first half as profits climbed 35 per cent in the second six months. Wolseley Hughes also made up for a setback in its engineering division with a £2.2m profits rise to £7.7m. Another investment trust is coming to the market, this time through a placing, and the Trust of Property Shares will be concentrated in the quoted property sector.

were £30,33bn against £23,88bn Deposits rose from £20.84bn to produced accounts to December £26.3bn due to expanding busi-31. To give a true comparison, their profits for 1979 have been consolidated in the profit and loss account; those for the last ness but also as a result of inflation. Advances stood at £20,52bn (£16,76bn). three months of 1978-approxi-

Bronx Eng. profits well up

FOLLOWING the recovery from a depressed £57,900 to £220,600 in assets. There is also an allocation of £20.3m (£14.7m) to Trustees for the profit-sharing schemes.

a telefesset 27.30 to 25.50 t Tax on profits amounts to pared with £317,213 in the previous vear.

Turnover amounted to £11.21m against £12.17m but the board explains that the 1978 figure included £1.76m from a long term contract almost completed at the 1976-77 year-end and for which a substantial proportion of profit was included in the 1977 accounts. There were no long recommending an increased final dividend—up from 1.3154p

to 1.58p to lift the total from £137.7m before tax, the result of tax relief.

1.7554p to 2.1p. A one-for-one general growth of the bank's The bad and doubtful debts scrip issue is also proposed. business throughout the world. charge comprises £25.5m Stated earnings per share are The figure includes a contributer (£18.1m) specific and £35m (£7m) 4.8p against 2.3p. The year's tax charge, including deferred tax. is £326.666

Birmid Qualcast on a realistic

platform for the 1980's

vritten off.

(£171,538) and there is an extra- The directors state that year's payment, which yields 3.5

Total assets at the year-end ordinary credit of £311,623 exploration, development and per cent.

Tricentrol up £13m year end

Thev

Tricentrol from 18m to a record areas: UK Continental Shelf. £21.27m for 1979. The UK oil and gas contribution jumped from £4.21m to £13.69m for the year, with the U.S. side more than doubling to £2.87m against

Turnover expanded by some £67m from £142m to £209.2m.
And the dividend is boosted to 7p net (10p gross), compared with 1.675p, with a final of 4.2p—a total of 8p gross was forecast last April.

At the interim stage profits had risen to £7.22m (£4.34m). The year's profits included an exceptional credit of £384.000 (£183,000 debit) and was subject to a tax charge increased from £2.03m to £10.84m. This left net profits at £10.43m against £5.98m. giving basic earnings per 25p share of 21.4p (14.9p) and 20.8p (14.1p) fully diluted.

	1979	1978
	£000	5000
Turnover	209,166	142,003
UK oil and gas	31,932	14,386
UK oil trading	16,375	_
Canadian oil and gas	4,869	4,548
U.S. oil and gas	5,165	2,907
UK automotive	104,071	76,722
UK trading	36,131	31,190
European trading	8,140	9.320
Australia	495	475
Canada	1.988	2,455
	20,621	9,021
Trading profit		4,206
UK oil and gas	13,686	4,200
UK oil trading	282	- 205
Canadian oil and gas	1,225	1,296
U.S. oil and gas	2,874	1.013
UK automotive	2,944	2.204
UK trading	498	553
European loss	964	395
Austrelia	25	50
Cenada	50	•16
Rosearch expanditura.	106	110
Head office costs	889	387
nterest payable	706	470
nterest receivable	1,967	335
Operating profit	20,887	8, 189
xceptional credit	384	†183
re-tax profits	21,271	8,006
ax	10.843	2,025
Ver northe	10.428	5.981

*Lass. † Debrt Tricentrol Industrial Corpora-tion, the group's operating com-pany for all non-oil activities in the UK, has acquired the hard-ware interests of R, and G, Cuth-bert, from Remanobel (UK), for some form and will complement some £6m, and will complement the activities of Tricentrol

Trading.
Tricentrol Industrial has also the purchase of Stevens Travel, motor caravan hire operation, of Hampton Hill, Middlesex, for pipe dream since profits here f2m cash.

FINAL QUARTER profits of production of oil and gas remains £7.37m against £1.08m, have the main business, which will be lifted the taxable surplus of expanded with emphasis on three North America and offshore

believe that North

America offers the best environment and opportunity, in the short term, for a company the size of Tricentrol-directors are preparing to take the necessary steps to place shares in the U.S. and Canada which could result in some 20 per cent of the group's equity being placed

They add that the increased visibility of the company, through the share placing will enhance opportunities for further acquisitions in North America.

Of the non-oil and gas interests, the directors have limited investment to three main areas; vehicle distribution with associated leasing, hiring and specialist operations; wholesaling, warehousing and distri-bution of bardware and equipment for the home and garden; the UK to eliminate excess and the design, manufacture and capacity, to reduce overheads and the design, manufacture and wholesaling and distribution of products likely to be in high demand because of increasingly high energy costs.

Despite Tricentrol's aggressive strategy of diversifying away from oil and gas, the group's Thistle revenues continue to dominate. Not that Tricentrol is complaining. North Sea earnings more than tripled last year and will rise substantially in 1980. Thistle assets provide a solid backing for the share price, up 8p at 290p yesterday, and permit fund raising exercises such as the planned North American issue. At the same time, the cash flow allows the group to pick up distribution businesses which show a strong return on capital, as well as long-term hedges against energy shortages. such as the Cableform acquisition. Even if the currently catastrophic results from Tricentrol BV cast some doubt over the group's skill at manag ing non-resource companies, the strategy looks a sound one and provides additional support for completed negotiations and the p/e of 13.7 on fully diluted entered into an agreement for earnings. The group's eventual earnings. The group's eventual aim of paying dividends from its commercial activities is still a

Stone-Platt £2.9m loss -omits final dividend

A SECOND half turnround of £3.9m to a £3.68m loss, has left Stone-Platt Industries with a taxable loss of £2.94m for 1979, compared with £9.51m profit—a peak of £15.6m was achieved in 1976. And the final dividend has

been passed leaving the year's total at 1.4p net per 25p share. compared with 4.035p. In September the directors said they hoped to maintain the year's dividend at the 1978 level. Problems during the year were in three areas, all in the UK;

Platt Saco Lowell, in textile

machinery, incurred a £2.82m

loss (£3.48m profit); the marine and mechanical division replaced

a £2.32m profit with a £83,000 loss; interest charges rose from £3m to £5.47m. And results were adversely affected by national strikes, and reduced margins, caused mainly by strong sterling and continuing

Margins on exports will remain under pressure, the directors say. As a result some concentration of manufacture is being made in and to improve productivity.

They state that the main uncertainties continue in the UK; the steel dispute may have an adverse effect on output, and the UK plants of Platt Saco, and

its textile colleague, the Scragg group, are at present working short time.

1212	12/0
£000	£0000
211.467	192,778
· 2.535	12,504
2,824	*3,477
1,385	224
2,975	4.601
83	P2.319
1.082	1.883
5,473	2.995
	*9,509
2.592	2,497
5.530	7.012
	96
	113
	46.803
	1,637
	480
	1.129
	13.557
ained	.0,007
	2000 211,467 2,535 2,824 1,325 2,575 83 1,082 5,473 2,538 2,582 5,530 285 113 5,423 5,530 285 1,482 9,7510

The - announcement of

DIVIDENDS ANNOUNCED

Date Gorre Sotal Fotal

•	Current	Of .	.sponding	for	13050
	BSANGO	halandrir.	.084	you	year
Barcleys Bank	. 10.25	May 19	7.43	18.5	13.51
Boddingtons Breweries C. T. Bowring	. 2 · · ·	, -	1.5+	3.75	2.91
C. T. Bowring	4.53		235	8	3.35
Duang Kng	. 1.5%	. Mars 1.6.		Z.L	. 1.13
Campools (171)	. 1.5	May 23	0.97		3
OL C. A L CAR	2.5	Aneti :	3 25 -	-	X.YD
Cope Allman, int. Courtney Pope int.	1.79	June 27	1.7		4.5
Comment Pone int.	12	May 19	1.2		3.05
CHA TAPPA	75	WINT Y	LOB.	-	
Hepworth Ceramic	275	June 2	1.94	5	3.69
Lex Service Grp	19	Mey 13	27	. 7 .	43
L'pool Daily Post	- 604	Anril 2	51	9.5	£.if
			D.AR		3
J. and J. Makin int. Vills and Allen tint.	4	Mer 18	9.734		10.974
Milis and Allen New Equipment	0.60	Annii 90	0.66	1.04	กิสติ
New Edupment	0.08	Mor 93	0.00	19	9.3
Norvic Secs. Photo-Me Iutl, int.	U.O	Annil 90	9 97	-	8.45
Photo-Me Intl int.	3.10	Mptit St	0.51*	_	2*
ressac Holdings int	0.91	may 20			- :
Rock Darham	0.75			_	200
Second City Props. int.	0.62	MAY 12	0.56		7.26
teetley-	6.51	AUIII.		14.0	1.444
harpe and Fisher	1.25	waa aa	0.85	-13	1.00
None-Platt	Nii			3.7	4.04
Tate of Leeds	1.25	May 1	1.25		200
f. W. Thorpe int.	1	MEY 14	0.73	-	1.05
ricentrol	4.Z†		U.02	4.40	470
ames Wilkes	2.03 1.05	May 30	2.03 0.09	1.45	1.47
Vinston Estates Volseley-Hughes int.	1.00	July 1	7.55	. Ini 3	1000
voiseley-mugnes int	9.7	JULY T	0.00		A STATE OF

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition assues. I To reduce disputity.

and pump businesses are all forecasting better results for 1980, and overseas results should be satisfactory, the directors say.

They are confident that the determined action which has been and is being taken will lead to a progressive improvement, but say the current year is bound to be difficult. In the langer term they look return to proper

The extraordinary items com-

led to a strike which may Lancashire, on two sites and end production prematurely. the closure of the Oldham Plant, However, the electrical, marine amounting to £7.5m, and £1.5m, and £1.5 goodwill write-off on acquisitions.

Pre-tax loss per chare is given
as 8.4p (24.3p earnings), and
14.7p (16.3p earnings) after the

Net asset value at the year end was 133.6p (159.6p), return on sales fell from 6.5 per cent to 1.2 per cent, and return or capital employed was well down at 24 per cent compared 14.2 per cent.

Long and medium-term berrowings totalled £38.2m (£22.5m), of which £8.7m is repayable within five years.

Hepworth Ceramic over £36m and beats forecast payment

leaving

WITH second half pre-tax profits (£4.67m), of Hepworth Ceramic Holdings (£14.89m) to be retained. moving ahead from £15.53m to final dividend is recommended by this manufacturer of vitrified clay, plastic pipes and refractory

At the interim stage the board forecast a final dividend of 2.65p. (£2.6m): industrial sands and but this has been raised to 2.75p minerals £47m. (£41.3m) and against 1.935p, increasing the £9.5m (£7.3m); plastics £43.1m total from 3.685p to 5p. Stated (£34.4m) and £4.4m (£32.m); earnings per 25p share are up foundry resins and equipment from 15.7p to 20.9p.

profits for the full year om £30.41m to £36.17m to prom £246.9m to linterest charge less income charge less Pre-tax profits for the full year climbed from £30.41m to £36.17m on turnover up from £246.9m to investment income was down (£5.1m). Export losses were £880,000 £245,000). There was extra-ordinary debt last year of ordinary debt last year of £185,000. Attributable profit rose to £27,31m against £19,56m.

In a breakdown of the group's main activities, clayware contri-buted £92.6m (£85.2m) to the turnover, but profits were down slightly at £14.4m (£15.1m). Other divisions: refractories £61.1m (£59.9m) and £5.3m

Exports from the United £35.9m.

comment

performance above outside expectations. Second half profits were up by almost 35 per cent and the shares responded with a 7p jump to 104 p. At this level, they trade on a multiple of 4.8 times earnings after a low charge, which is hardly demanding given the exception. ally depressed first half of last year and the benefits from new products which should accrue in 1980, particularly on the plastics rights issue has left Hepworth sitting on a cash pile of perhaps £27m which should be applied in U.S. acquisitions in the current year. There were certainly exceptional profits in 1979in plastics and almost fim from an investment sale—but this must be set against closure costs, which amounted to £1.2m in

Capital expenditure, £8.8m in 1979, will continue in areas where commercial opportunities exist. 9.56m. Once again Hepworth Ceramic clayware along last year. £7.16m has overcome the shrinkage in yield is 7 per cent. Dividends absorb



DIVIDEND

Salient points from the Report and Accounts for the 53 weeks ended 3rd November 1979, and from the statement to shareholders by the Chairman, Mr. J. F. Insch.

interim results, I said that we expected some improvement in group

When I reported on the

profits in the second half of our financial year. Had we been able to trade unencumbered by national strikes and external disruption, it is estimated that profits would have been approximately £4 millions higher. Whilst it is naturally disappointing to report a fall in profits, these particular adverse factors experienced put the group's performance into a more realistic perspective.

Whilst we anticipate improved profits in

1980, past experience shows how much harm

can be caused by strikes. With this in mind, the

recommend a final dividend of 2.5p per share,

making a total of 4p for the year.

CAPITAL EXPENDITURE

commercial opportunities are available.

experienced its most difficult year to date.

PRODUCT SECTORS

board has decided to adopt a prudent course and

£8.8 millions was spent on fixed assets in

the financial year, the major proportion on new

plant and equipment. We shall continue to invest

in companies where we are confident that future

Foundries: In 1979 the foundry industry

BIRMID

QUALCAST

Against this background we have been successful

in maintaining our customer's confidence and have won business, both at home and abroad, against overseas competition. Our aluminium foundries have done extremely well

and our precision operations are showing tremendous progress. The ferrous foundries fared much worse. However, excluding the effects of the national engineering strike, demand was broadly in line with our expectations, and the circumstances prevailing confirmed our decision to contract irontoundry capacity. In South Africa we anticipate a break-even position in 1980, and profits

The division is now leaner and much fitter and a small increase in demand overall could make a dramatic improvement in performance. Essentially, however, we regard the current year as one of consolidation, whilst expecting to see some of the benefits accruing from capital redevelopment and rationalisation.

Trading Profit

Net profit attributable to shareholders ...

Dividend

Home and garden products

Wrought and engineering products...

ANALYSIS OF 1975 TURNOVER AND PROFITS

..

Heating products

1979

8.8

% of

totai

9

16

100%

products, Irrigation equipment, Precision engineering.

turnover

£millions £millions

1978

204.2

6.4

4.976p

% of

total

profit

62

27

(8)

100%

GROUP PRODUCTS INCLUDE: Iron and light alloy castings; Lawn

Mowers (Qualcast, Atco and Suffolk), Greenhouses, Cultivators,

Wrought aluminium and magnesium alloys, Precision plastic

Ladders, Kitchen Furniture; Potterton central heating boilers;

trading

Heating: Demand for central heating equipment was bouyant throughout the year which enabled Potterton to achieve a performance better than expected. The development and launching of new products continues and the division is well situated to enhance the group's future prospects.

Home and Garden Equipment: Despite a very sizeable order book, supply shortages of electric motors and external labour disputes affected our lawnmower business in 1979. We enter the 1980 season with a satisfactory order book and improved results are budgeted for the division. In our determination to sustain our market position our capital expenditure will be at an enhanced level.

Our household product companies achieved wen to protect in performance and the introduction of new furniture ranges increased business from a wider customer

Wrought and Engineering Products: The imigation products group was once more faced with extremely adverse climatic conditions which led to over-capacity with accompanying poor prices. Given a normal infigation season, the division should be able to make a useful recovery but, even if the climate goes against us for yet another year, the actions already taken reduce the risk of further heavy losses.

> The engineering products group has benefitted considerably from actions taken in the last two years which are reflected in higher profits.

PROSPECTS

Considerable efforts have been made to place the group on a realistic platform to meet the foreseen levels of demand in the 1980's although this year may not prove to be the best in which to demonstrate the benefits of these actions principally because the U.K. and world economies. appear to be heading into a recessive phase. Whilst the external climate remains a limiting factor and renders it almost impossible to make accurate profit forecasts we are planning to achieva considerably improved profits in 1980.

Investment trust comes to market

BY ARNOLD KRANSDORFF

investment specialising in the UK property share market is being launched with a capitalisation of £600,000. It will be the third investment trust to come to the market this year after Keep Investment Trust and Child Health Research In-

vestment Trust. Brokers Quilter Hilton Goodison and Company have arranged for a placing of 2.7m ordinary 5p shares at 10p per Quilter Hilton share in Trust of Property

About three-quarters of the Funds will be invested mainly Bruce, Mr. S. Kon. placing—equal to 45 per cent of in the shares of listed UK and Mr. V. Wood.

balance being made available to others brokers. The remainder of the shares are held by the family interests of Mr. E. N. Goodman, the chairman, who is a former managing director of The Collingwood Group.

Application has been made for all the shares to be admitted to the Official List of the Stock Ex-

change. Dealings are expected to begin next Thursday.
Funds will be invested mainly

the issued equity—has been property companies although up taken up by private and institutional clients of Quilter with the could include unquoted companies owning reversionary shop and office properties.

The directors aim to achieve growth "in both income and capital appreciation." Dividends will be payable in mid-April each year and are expected to amount to between \$5 per cent and 95 per cent of all the company's income available for distribution. The other directors are Mr. R.

Bruce, Mr. S. Kon. Mr. A. Peters

Rolls-Royce Motors outlook

sales prospects for 1980.

Although the outlook for diesel

engines is not good, encouraging signs for the future are the

decision by the Government to select the company's Condor

engine for the next main battle tank (MBT S0) which will replace

profits of Rolls-Royce Motors in organisation are beginning to Holdings tumble by some 50 per bring about improvements. cent, Mr. L J. Fraser, chairman, says in his annual statement that the car side of the business is in good heart and well ready to meet the challenge of the 1980s. As the company approaches the introduction of a new model, he is confident that it will be received as worthy successor to the Silver Shadow.

For 1979, as reported on March 11, taxable profits slumped from a record £14.6m to £7.15m, mainly due to a poor result from the diesel engine division, where a trading profit of £4.47m turned round to a £1.69m loss. chairman said, however, that he expected current year profits to improve.

The accounts show that on a CCA basis group pre-tax profits would have been reduced to £5.28m (£12.13m).

Mr. Fraser says that London car factory did

+or-

and negotiations for Britain to supply Jordan with tanks powered with CV 12 engines. Of the company's other activities the main is precision components, and here Mr. Fraser says that prospects are excellent and further steady growth can be anticipated. Meeting, Churchill Hotel, on April 17 at noon. ICI CONVERSIONS Holders of a further 155 ICI \$1,000 6} per cent convertible guaranteed 1997 bonds have

AFTER A year which saw pre-tax achieve its target, but changes exercised their right of conver-profits of Rolls-Royce Motors in organisation are beginning to sion into ICI ordinary shares. Holdings tumble by some 50 per bring about improvements. Demand in the UK for all models standing is 44,636. was strong in 1979 and distributors are confident about J. Makin

improvement PRE-TAX PROFITS of J. and J.

Makin Paper Mills rose from £473.938 to £554,886 in the half-year to September 30, 1979, from turnover higher at £7.59m against £6.22m. Tax charged was up from £258,527 to £313,270. The paper company increased

its profits during the six months. but associate company J. and J. Makin (Metals) had a more difficult year, says the chairman, Mr. J. R. M. Pilling. He says the pattern for the current half has been similar but the board is expecting the overall profits to be higher than in the first half. The interim dividend is raised

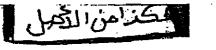
from 0.484p to 1p to reduce disparity. Last year's total was 3p from pre-tax profits of £1.11m.

INTERIM REPORT (Unaudited)

Interim Dividend (Nett) Profit before Tax

Payment date, 14th May, 1980

Copies of the Report and Accounts are available from the Secretary, BIRMID QUALCAST LIMITED, SMETHWICK, WARLEY, WEST MIDLANDS, B66 1BW.

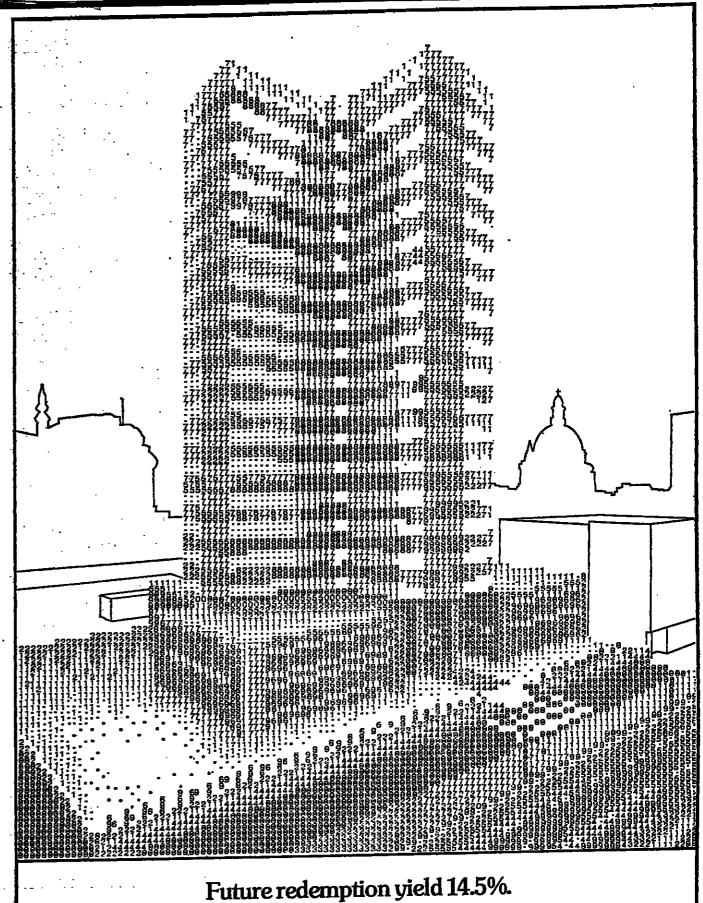


Banco Madrid Banco Santander Banco Urquijo Banco Vizcaya ~2 Fecsa Gal. Preciados 33 64 58 106,2 63 107 54 52.7

Half year to 31st December 1979 1978 1.00p per share

0.725p per share £2,239,424 £2,083,130 2377,954

Future redemption yield 12.1%.

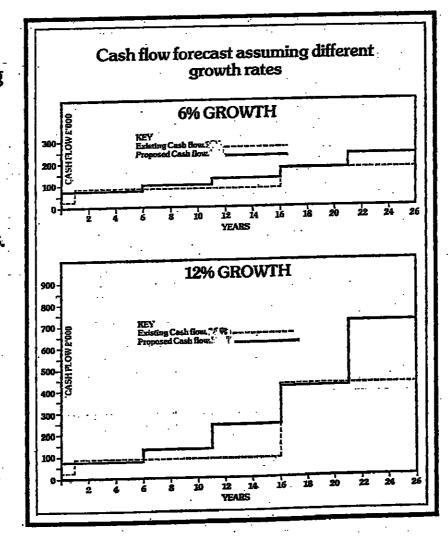


How to turn a problem property into a profitable one.

Increasingly, it is being found by the more sophisticated property investors that one of the most fertile grounds for improving a Fund's future performance lies within its existing property portfolio.

Considerable extensions of the conventional "marriage value" techniques have recently been made possible by the establishment of comprehensive methods of analysis and computer modelling techniques.

These computer models can be set up to examine either an individual property or a portfolio, and can enable the portfolio manager to consider the implications of an unlimited number of variables, almost instantly, and with full discounted cash flow calculations in each case. These techniques substantially increase the ability of the portfolio manager to examine alternative courses of action and effect an improvement in overall performance of the existing portfolio.



Our techniques are, of course, particularly appropriate to the more complicated property problems where manually operated systems become too cumbersome to be effective. For example, we are able to examine an intermediary head leasehold interest in a multi-let building with unfavourable rent review provisions, and can quickly portray the implication of renegotiation, and establish the full extent of the "marriage value", both in capital terms and the effect on the long term income potential, assuming a researched future growth rate.

We will be pleased to discuss the techniques that we have developed with you. For more information about our portfolio management services please contact Mike Stephens or Iain Reid at Richard Ellis, 64 Cornhill, London EC3V 3PS. Tel: 01-283 3090.

Richard Ellis

Chartered Surveyors

s to market

ver £36m

vment

outlook

RDE LIMITE

Bowring finishes year with maintained £38.5m

AFTER the downturn from £19.78m to £17.9m in the first half, C. T. Bowring reports mainfor 1979 compared with £38.4m in the previous year. Turnover went ahead from £1.28bn to

The directors are recommending a final dividend of 4.53p to lift the total from 3.361055p to

Profits from insurance broking were marginally down at £20.7m (£21.3m). The figure would have been some £3m higher had exchange rates stayed at 1978 levels, the directors say. Under-writing improved from £4.6m to £6.7m with a good performance from Crusader Insurance Com-

Bowmaker, the credit finance and engineering subsidiary's profits were down from £12.5m to £10.4m due to higher borrowing costs but the merchant bank. Singer and Friedlander. im-proved from £2.8m to £4m however the greater part of the increase relate to bad debt provisions in prior years no longer required due to recoveries. Trading companies improved from £1.2m to £1.3m and a breakeven position was achieved by

the shipping company represent-ing a £1.3m turnround disregard-ing exceptional profits in 1978 on The increase in central costs from £0.9m to £2.1m arose mainly from financing costs for the pur-chase of a new long lease on the Bowring building coupled with higher interest rates. Inflation, interest rates and

sterling value together with the • comment with Marsh and McLennan Companies in the U.S. make it diffi-Marsh and McLennan. The pre-

BOARD MEETINGS

The tollowing companies have notified dates of Board meetings to the Stock Eachangs. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intering or finals and the sub-divisions have below are based mainly on last shown below are based mainly on last year's timetable.
TODAY

6p. Stated earnings per share before extraordinary items are 17.8p against 18.1p and 14.2p (14.3p) fully diluted.

Profits from insurance broking Arthur Hanriques, J. Hewnt, Williams and James (Engmests):

	PUIUKE UAIES	
•	Interims—	
	Highland Distilleries	Apr. 8
	Smiths Industries	Apr. 15
	Finals— American Trust	Apr. 1
	Aquascutum	Apr. 10
	Beboock International	
	Bowthorpe	Apr. 15
	Crosby House	Apr. 2
	Empire Stores	Apr. 9
	Inch Kenneth Kajang Rubber	Mar. 27
	Municipal Properties	Mar. 27

The year-end balance sheet shows current assets of £874.8m (£740.8m) and liabilities of £841.8m (£695.1m). Long term insurance assets and liabilities amounted to £178.6m (£152.9m) and liabilities of customers for and liabilities of customers for acceptances and related acceptances amounted to £74.6m SECOND HALF pre-tax profits of by strikes and bad weather and

-		1979	19
1		£m	E
-	Turnover	1,351.9	1,280
_	Profit before tax	38.5	38
5	Tar	18.3	38
7	Net profit	20.2	20
-	Minorities	0.7	Ö
•	Ertraord, debrt*	0.8	
i	Available	18.7	19
•	 Goodwill written 	off on acq	usition
	by insurance subsid	iaries.	
l	• commont		

cult to predict the future, the liminary statement, which higher at £322.22 board says. However the future virtually amounts to a dummy Tax charged was f is viewed with confidence. run for a defence to the £200m a credit of £2.483.

tax profits some £3m better than the market expected, a pro-forms balance sheet, showing a uscful increase in assets, and a future viewed with confidence." Bowring's performance owes much to a handy increase in profits at Singer and Friedlander, thanks to recoveries made on bad debt provisions. Investment income from broking activities also showed a healthy improvement on the back of higher interest rates. There was no net benefit from the injection of Bowring thanks to increased expenses. But the benefit from first time renewal season on the additional Marsh business will be felt in the current year. The

Record year Regarding the current year, the cost to the group of the steel strike cannot yet be measured. However, the group for Tate of Leeds

shares, up 5 to 132p, and yield-

main a nervous market until the

outcome of the bid is finally

boost the figures for the year to December 31, 1979, to a record £681,615 against £480.679. At the halfway stage. Board forecast a record trading year, but turnover failed by £47,011 to match last year's figure of £13.06m. The dividend is unchanged at

Trading profit improved from £685,215 to £1m, and interest was higher at £332,254 (£304,536).

Steetley £1.5m over forecast

PRE-TAX profits of the Steetley increase in the second half was Company rose from £20.36m to £33.51m in the year ended contribution from Gibbons December 31, 1979 exceeding the Dudley. Probably about half the forecast of not less than £22m made at the time of the offer for

Gibbons Dudley.

In line with the offer document the Board is recommending a £600,000 in 1978. In the current final dividend of 6.5p on year the steel strike is hitting maintained at 7.5 per cent. in increased capital lifting the total hard in two of the company's 12 spite of the national engineering from 7.262637p to 10.5p. Pre-tax divisions and has already restrike which hit that side of the earnings were 50.44p against duced profits by about £25m. group's business. 46.26p and net earnings, 38.84p Against (32.64p).

Profit for the year included a two-month contribution from Gibbons Dudley amounting to in spite of a 554m cash outflow £827,000 net of financing costs. on capital spending and Mr. Tom Boardman, chairman, says results show the benefits from the high level of investment and the greater returns and the greater returns the state of the sta ing 6.7 per cent, are likely to re- and the greater return earned overseas, but they also reflect some of the difficulties in some sectors of the UK market and the cost of industrial disruption in other industries.

> has extended its markets over the years thus reducing dependence on UK steel, the chairman

Tate of Leeds, distributor of cars exchange losses reduced overseas and commercial vehicles rose profits by £435,000. Profits earned overseas (excluding recent U.S. acquisitions) increased by 46 per cent Holdings, the electro-mechanical and contributed over 30 per cent component manufacturer and

of operating profit. Despite the strength of sterling, exports from the UK were £28m, a rise of 16 per cent over 1978. The group trades in minerals extraction and processing, construction materials, refrac-tories and chemicals and extraction

IDUUS II IUI	ena c	iccir.cm
pplies.		
• •	—— Y	'ear
	1979	1978
	£000	5000
amal sales	297.500	250,307
ding sumplus	35.418	31,176
, nontaioenc	9.014	7.482
erest payable	4.953	4.466
estment income	1.056	1,132
fit before tax	23,507	20.360
C. tak		4,930
erseas tax	2,058	1.093
profit	18.093	14.332
orities	259	270
f. dividends	12	12
fit attributable	-	
rdinary	17.822	14,050
inary dividends	5.289	3,127
naci debie	7.153	1.514

At the halfway stage pre-tax minorities of £5.907 (£8,113) and profits from Steetley were virtually unchanged, while the (£21,172).

Cope Allman on target with 5% rise at midway

AS PREDICTED at the annual 234 per cent, stripping out the contribution from Gibbons meeting in December, pre-tax profits of Cope Allman Inter-national, industrial holding group; were 5 per cent higher at £5.71m underlying improvement derives for the half year to December 31, from the turnround of the French subsidiary into profit-ability, after losses of more than 1979, against £5.43m last time. Sales rose 9.6 per cent to £99.6m. with overall operating margins

Against this construction materials should be buoyant, The directors say the secondhalf results cannot, at this stage, be accurately forecast, but add with the mild winter weather that their earlier expectations of giving the year a flying start. growth will not be achieved.
The group's special steels

and S. Lees has suffered disrup-tion of production for several weeks as a result of the national moving up only 17 per cent last year. Pre-tax profits in 1980 should be somewhere between £55m and £27m, while the share weeks as a result or the national steel dispute. Other group companies have also been affected, though to a lesser extent. In the last full year, taxable In the last full year, taxable profits rose to a record £11.78m.

Stated half-yearly earnings per 5p share improved over 11 per cent from S.19p to 9.18p, but in view of the uncertainty surrounding the full year's results, the directors have restricted the directors have restricted the interim dividend to 1.785p net, 5 per cent higher than the previous year's 1.7p which was followed by a final of 2.8p.

	at half-way	Sales	1979 £000 99,595	1978 2000 90,860	
	TAXABLE PROFITS at Pressac	Packaging	41,547	34,143	
	Holdings, the electro-mechanical	cudivecting	14,616	13.731	
		Fashion	13,958	15,732	
	component manufacturer and	Leisure	17,853	16,442	
•	precision engineer, were more	Capseals Group	11,621	10,812	
	than halved from £556,082 to	Operating profit	7,507	6,864	
	£275.621 in the six months to	Packaging	1,782	1,276	
	January 31, 1980, in spite of a	Engineering	1,235	1,476	
	slightly increased turnover of	Fashion	1,207	1.031	
		Leisure	2.842	2,632	
	£4.75m compared with £4.68m.	Cabseals Group	872	809	
	Mr. G. Clark, the chairman,	less Head Office costs	431	360	
	says there was a general fall-off	Interest payable*	1.936	1,395	
	in demand for electro-mechanical	Share of associates'			
		profits	_ 143	†38	•
	components in the last quarter, a	Profit before tax	5.714	6,431	
	situation which is expected to	Tax‡	1,835	1,969	
	continue for the rest of the finan-	Net profit	3,879	3,462	
	cial year. But he says the com-	To minorities	259	224	
	pany remains confident of the	Attributable	3,620	3,238	
		* Bill discounting cost	ts includ	led tor.	
	future and is continuing to invest	the first time-compared	WES 370	ndine_	

A geographical breakdown of prolonged continuation sales and operating profits shows steel strike may affect (in £000's):—UK £72,707 rent year's result, but (m £000's):—UK £72,707 (£67,068) and £6,641 (£5,555); (continental Europe £18,163 (£14,352) and £740 (£626); Australia and S.P. Australia and S.E. Asia 25,535 (£6,558) and £303 (£525), and North America £3,190 (£2,882) and £254 (£218) respectively. Exports accounted for £12.16m (£10.38m) of UK sales.

During the period the group's borrowings significantly, mostly attributable to acquisitions and property purchases. There has also been a rise in working capital require-The group's special steels ments due to the build-up of manufacturing subsidiary, J. B. stocks in anticipation of the steel strike, and to absorption of various material price increases.

> The directors say group borrowings at the year-end will be within the target equity/debt ratio of 60:40 and they are satisfied that cash facilities are adequate to meet foreseeable

Taxable profits of the group's Taxable profits of the group.

59.15 per cent owned subsidiary
Capseals moved ahead by 6 per
cent from £806,000 to £857,000
for the half year, so sales up 7per cent to £11.62m. If adjustments are made to eliminate
Lloyd's Cartons, which was sold
let October profits and sales last October, profits and sales are ahead by 14 per cent and 19

per cent respectively.
Tax took £257.000 (£338,000) and stated earnings per 5p share were up from 3.93p to 5.03p. To reduce disparity the interim dividend is lifted to 1.5p (0.968p) net, costing £179,000 — the total The acquisition by Capseals

Liners of a complementary busi-ness was completed in December the full reflection in 1980-81 results. The early results from

steel strike may affert the comrent year's result, but they are confident that plans new being implemented will bring appear ciable benefits in the future. Capital expenditure in the first half was £1.07m, of which 1675,000 (including greatwill) related to the expansion at Capseals Liners, and further spending is planned in the

second six months. While a substantial past a the company's expenditure will be financed by its cash flow and the proceeds from the Lieyd's Cartons sale, the directors are further borrowings will be required in the coming mentile.

With Capseals' present berrowings well below the level available to it, they are satisfied that the company has adequate available resources to finance its planned expansion and continue to search for acquisitions.

comment

After a rise of 28 per cent at Cope Allman in the past full year 5 per cent interior growth this time looks a trifle lame. The engineering dispute may have shaved as much as £300,000 off group earnings and a sharply increased interest charge also explains the small rise in pre-lay income. The strength of steri-ing was a third major factor in slowing profits growth.

The steel strike is now about to cost the group some money. Capseals, the specialty packaging subsidiary, says that its customers are being affected by the strike and in the engineering division at Cope Allman, the Lees steel business has lost one month of production. All of this suggests that the group is unlikely to repeat last year's record and the benefits from this invest. £11.8m in pre-tax profits. A ment are already being seen with figure of £11m seems more realistic, pointing to a fully results. The early results from taxed p/e of 5.1 at 62p, up 1p. Maybridge Marketing (Slough), If the 5 per cent interim dividend which was set up in November, are encouraging.

The directors warn that the per cent.

Shell Chemicals UK held back by market restraints on prices

BY SUE CAMERON, CHEMICALS CORRESPONDENT

The company, whose results are not due to be officially published until the end of April, is strought to be pessimistic about Shell Chemicals UK was able to its performance in the current year although it does not expect to go back into the red. It has considerable difficulty in ng product prices to adequate levels during the first quarter of 1980 and does not expect to be able to make a major

present levels. But it believes

reported by **Boddingtons Breweries** of Manchester for 1979,

on turnover higher at £21.5m

Mr. Ewart Boddington, the chairman, says that in spite of

is on schedule and due for com-

pletion this summer. Almost £1m

was spent in 1979 on building and refurbishing the company's pubs. The final dividend of 2p makes

a total for the year of 3.75p (2.91p) and the board is recom-

compared with £18.6m.

its competitors.

stood to have turned the £19m achieving this aim now that the raw loss it made in 1978 into a profit price of naphtha—the oil-based spir. of around f19m last year. But it raw material that is vital for is expected that some f15m of petrochemicals production—has this will go in interest charges.

Last year, when naptha conpass on these raw material cost increases while at the same time making 2 "substantial" im-provement in its margins. But the drop in naptha prices from the peak levels reached at the turn of the year has encouraged customer resistance to further push on prices during the rises in chemical product prices, coming quarter. The spot market price of acetone.

Shell Chemicals UK would like naphtha has now fallen below to put up product prices by an average of 10 per cent overall— Chemicals UK believes this will bring on stream capacity that that are al

Shell Chemicals UK is under there will be little chance of was mothballed last year when raw material costs were spiralling up. The company reckons this will add to the difficulties of increasing its

product prices. Some of Shell Chemicals' businesses are also being in-directly hit by imports, A number of its customer industries, including carpet and other textile manufacturers and by the growth of imports from the U.S. and Continental Europe. This is having an impact on Shell's sales of polypropylene and phenol—used in making textiles—and on sales of polypropylene and phenol—used in making textiles—and on sales of polypropylene. resins and solvents, notably

The company is expected to invest around £55m in the UK this year but the greater part of assuming costs remained at lead some chemical producers to this will be spent on projects

Sharpe & Fisher picks up pace to end 25% higher

builders' merchant, for 1979 at 43p, compared with 48p, turns out to be £1.52m, an increase of 24.9 per cent over the £1.22m for the previous year. Sales for the period improved by 26.2 per cent from £18.16m to £22.93m.

was made, profits were ahead from £434,581 to £472.948. The directors said then that consider-Boddingtons' increase near £1m from £434,581 to £472,948. Increase near £1m directors said then that considering the bad weather in the first few months of the year, results were encouraging. If second-half trading continued at the same level the company would be able to absorb rapidly increasing costs. In the event, profits for the second six months advanced from £0.78m to £1.04m.

The directors now state that increased volume and profits

were achieved in all areas of the but comparisons so far are with The total net dividend is trading badly affected by bad weather last year. Continuing progress was made with the five existing DIY stores, and further sites are being sought, they add.

> The net final dividend is 1.25p, effectively raising the total payment from 1.3905p to 1.75p on earnings ahead from 5.2p to 6.1p per 25p share.
>
> After tax of £508,928 against £357,905, net profit for the 12 months emerged £150,956 higher at £1,008,176.

The pre-tax profit represents a return on sales of 6.6 (6.7) per cent and on capital employed of 21.5 (19.1) per cent.

THE record pre-tax profit fore-cast by Sharpe and Fisher, per share of the company stood builders' merchant, for 1979 at 43p, compared with 48p.

likely to grow excessively, after

price. up 2p yesterday at 175p, gives an historic yield of 9 per cent and p/e of 7, fully taxed.

well down

at half-way

pany remains confident of the future and is continuing to invest

heavily in the design and tooling

The tax charge was slightly lower at £143,500 (£149,000).

An interim dividend of 0.5084p

matches last year's corresponding payment after adjustment for a 1-for-1 scrip issue. The total last year was an equivalent 2p, paid from profits of £1.3m.

Earnings per 10p share were 1.32p (4.72p).

Attributable balance came out

of new products.

Pressac

Boost for Aberdeen Land

INCLUDING £353,000 profit from an office development sale in Aberdeen, pre-tax profits of City jumped from £145,000 to £756,000 for the half year ended Decemdoubled to £2.44m against £1.28m.

In the second half so far, forward sales have been encouraging, and the directors have little doubt that performance will continue to be better than average. Profits for the whole of 1978-79 were £396,000.

There were increased profits from housebuilding which included a modest contribution from the new subsidiaries in Edinburgh, and an improved level of profits from Aberdeen, reflecting a buoyant market per-sisting throughout the period. Six months tax takes £393,000 against £75,000 and the net interim dividend is lifted by 1p to 3.5p-last year's final payment was 5.75p.

The group had no borrowings as at December 31, and this com-

bined with the policy of forward house sales, gives the directors confidence for the future.

Photo-Me offsets higher VAT and stronger pound

DESPITE the impact of a stronger pound and increased VAT rates, Photo-Me International. manufacturer operator of coin-operated photographic vending machines, maintained pre-tax profits at £1.43m against £1.42m in the six months to October 31, 1979. The higher VAT rate absorbed

nearly £100,000 of operating profit, say the directors, but they add that there will be a substantial recovery as selling prices are adjusted.

The interim dividend is increased from 2.211p to 3.15p-Consolidated Murchison, the last year a total of 9.45p was paid South African antimony from profits of £2.34m (£2.23m), producer, expects to maintain Turnover for the six months dividend payments this year at rose from £11.97m to £13.11m and the surplus is struck after depreciation charges of £669,000 (£616.000).

Tax takes £721,000 (£719,000) and after minorities' profits of £228,000 (£223,000), the attributable surplus emerges at £481,000, the same as last time. earnings are also maintained, at 22.9p per 50p share.

There is no tax charge for the

Estates rises 47%

A final dividend of 1.05p lifts' the total to 1.75p (1.42375p). Turnover, less sales of rental property, rose from £392,938 to £638,977. Tax takes £172,976 (£120,476) and after last year's extraordinary credit of £98,917, the attributable surplus emerges slightly lower at £235,375 (£255,351). Dividends absorb £100,762 (£79,081).

Earnings per 25p share, based 4.24p (2.82p).

For the year ended June 30, 1979, taxable profits reached strong demand for outdoor and £7.24m, of which £4.21m accrued in the second six

Mills and Allen moves ahead

by £1.7m in first six months

sirong demand for outdoor and cinema advertising and the high level of activity in its money broking business, Mills and Allen international increased pre-tax profits from £3.03m to £4.73m for the half year to December 31, 1979, on turnover up £7m to £22.53m A.T3m for the half becomber 31, 1979, on turnover in F7m to £22.53m.

All the industrial holding effectively raised from 2.727p to 4p net—last year's total was an equivalent 10.909p.

The international base of the second half of the international base of the money broking business, were £197.049 compared with the second half of the se group's major divisions improved their performance, and

Earnings per 50p share are shown 7.2p higher at 26.4p.

The aggregate consideration for the two purchases has been paid in cash, but a further amount may be payable to the vendors of Mallon and Dorney depending on the level of profits over the next three years

existing U.S. broking interests.

the result includes contribu-tions from the acquisitions Harlow Meyer Savage has \$274,595 in the second half of made in March and August last year and the interest earned two important areas. In Hong This was in line with directors This was in line with directors on the cash balance.

The second six months has started satisfactorily, the directors started satisfactorily, the directors state, but they emphasise chased, while in New York the indicate an upturn in the level of the control of the second six months has started satisfactorily, the directors state, but they emphasise chased, while in New York the indicate an upturn in the level of the second six months has started satisfactorily. that the disparity between the group purchased 80 per cent of profitability." That forecast was level of profits in the first and Mallon and Dorney, a medium-intended to relate the second half second half of his year is sized foreign exchange broker to the first half of 1979, not to the unlikely to be as pronounced whose activities complement its second half of 1978.

BIDS AND DEALS

London businessmen rescue Dixor with £500,000 investment

which lost around £250,000 last year and is still in the red.
The money is being put up by two London businessmen, Mr.
Martin Vincent and Mr. Sydney
Lerner, who will end up with 80
per cent of the company. If
shareholders approve the shareholders approve the scheme, the Takeover Panel has indicated that it will not require that a general offer be made. Masterminding the rescue deal is Mr. Norman Davis, a chartered accountant who is a non-executive member of the Dixor Board. Once it goes through, he will become chairman and Mr. Vincent and Mr. Lerner will be

vincent and Mr. Lerner will be joint managing directors. The other directors will step down. Both men have their own businesses in the cosmetics and toiletries field. They will put up £331,500 in cash for 6.63m shares of 5p each at par and make a 12month interest-free loan of £168,532. "This will be more than

holder, Throgmorton Trusts, has France, for FFr 8.84m (£924,816) By September 30, when Dixor's

move into the black.

Problems caused by last East.

April's move to a new factory. higher costs, and smaller profit margins led Dixor to borrow heavily from the banks at high rates, even though its acquisition cash and securities of over £200,000 in July. Dixon's losses in 1978-79 totalled £249,200 before tax on sales of £433.000 against a £31,600 profit previously.

PRUDENTIAL CUTS **BARTON STAKE** Prudential Corporation has disposed of 100,000 shares in Barton and Sons, reducing its holding to 5.7 per cent.

BAKER PERKINS **BUYING FRENCH**

by a medium-term bank loan. Pavailler designs and manu- three months.

A £500,000 rescue operation is financial year ends, "I expect the factures in France and Italy a being launched for Dixor-Strand, company to show a significant range of machinery and ovens the ailing cosmetics company improvement." But Mr. Davis for small bakeries. Products are declined to say when it might sold mainly in those countries as well as Africa and the Middle

NEW ACQUISITION FOR GRIMSHAWE

Grimshawe Holdings has acquired from Hunter Plastic Industries of Woolwich the division manufacturing plastic computer spools, which will continue to trade under the name Hunter-Maath.

The cash price of the plant, stock (to be evaluated) and know-how will be about £225,000 for the plant of the plant of the plant.

of which £200,000 is payable today on completion and the balance in the near future.

UTD. NEWSPAPERS BID PROBE

United Newspapers' proposed takeover of J. Andrew, publisher of the Ashton-under-Lyne Reporter and a chain of weekly newspapers, has been referred to the Monopolies Commission. This enough to put the company on a Baker Perkins Holdings has newspapers, has been referred to the Monopolies Commission. This night. Dixor's largest share shares of Pavailler of Valence, is an automatic procedure for indicated its support for the cash, which has been financed Trading Act. Under the Act the investigation cannot exceed

Takeover Panel meets St. Piran

THE FULL executive of the Cordoba registered in Panama, Takeover Panel is today to meet all the parties involved in the share-owning controversy sur-rounding Saint Piran, the troubled tin mining and property group.

an investigation to establish whether a group of persons has incurred an obligation to make a bid for St. Piran by acquiring over 30 per cent of the equity. The parties invited to the been investigated by the London anel meeting include representant Australian stock exchanges.

Mr. Raper is at the centre of shareholder allegations that he has formed a concert party with other St. Piran shareholders whereby he would control over 30 per cent of the St. Piran The panel announced in shares. This would breach Rule November that it was conducting 34 of the Takeover Code which requires a holder of over 30 per cent of a company's equity to make a bid for the outstanding capital.

The group, which has already panel meeting include represen- and Australian stock exchanges, tatives of the Boards of St. Piran is currently undergoing a Deand Gasco Investments, the Hong Kong company controlled by Mr. Inspectors were appointed three Kong company controlled by Mr. Inspectors were appointed three James Raper, a former St. Piran months ago under section 165(b). chairman, which has a 29.6 per cent stake in St. Piran. Others involved are Ruffec, a Luxem-involved are Ruffec, a Luxembourg concern and Aerolinas relates specifically to controversy

MCANALLY

CAPEL-CURE The deal by which McAnally

Montgomery is to buy Capel-Cure Myers (Provinces) involves Belfast as well as Glasgow, McAnally is to take over the offices of Capel-Cure in both cities. DOWTY PURCHASE Dowly Group has accurred Herman Engineering Products.

Military on Sea, Hampshire, and its wholly owned subsidiary. Herman (E. and T. D.) Engineering Products of Straton St. Margaret Wirshire. Both companies have a high precision machining capability which will be made available for use by the Group's serospace and defence division.

ليكذامن المخمل

tighter money and higher unemployment trade has been maintained so far this year at the levels of a year ago. Although retail prices were raised 2½p and 3p a pint in January the company's draught beer remains 3p Norvic Secs. to 4p a pint cheaper than that of factor in the results remained the popularity of the locally brewed beers. which accounted for 89 per cent of total trade.

second half The company's development programme, totalling £3.27m in investment in new production, storage and distribution facilities, was not maintained in the second

the first half at Norvic Securities was not maintained in the second six months of 1979 when pre-tax profits showed a marked dewolaring the full year's figure at f143,909 compared with £115,333.

External sales of the investment holding and management com-

AN INCREASE in pre-tax profit mending a scrip issue of one for pany improved from £14.8m to from £3.1m to £4.01m has been two. Earnings per 25p share are \$16.13m for the year.

Teported by Boddingtons shown as 10.03p (9.23p). When reporting a turnround When reporting a turnround from a first-half loss of £94,000 to a profit of £105,000, the directors said the recovery had contiqued into the second period, although a lot depended upon the impact of higher prices and VAT on repeat orders for autumn builders, merchants business, and forward orders for next This trend continued into 1980 spring. raised by 50 per cent from 0.8p to 1.2p per 10p share, with a

to 1.2p per 10, final of 0.8p (same). 1979 External sales* ... 16, 130, 687 14, 797, 917
Trading profit! ... 551, 548 372, 171
Interest paid 359, 339 208, 338
Loen stock interest 48, 000 48, 000
Profit before tax ... 143, 909 115, 333
Tention! 4.305 13,197

MINING NEWS

Barlow Rand gold mines boost capital spending

BY PAUL CHEESERIGHT

East Rand Proprietary and then both mines will remain marginal South African gold producers in the Barlow Rand group, are planning sharp increases in capital expenditure to safeguard the future of the

Spending at East Rand Proprietary will be at least R18m (£10.1m) this year and could be slightly more in 1981. This compares with capital expenditure of R4.5m last year.
At Durban Deep it is planned

to invest R8.7m (£4.9m) this

year and nearly R14m in 1981 against R3.1m in 1979. The intentions were at £10, while those of Durban announced yesterday by Mr. Deep gained 3 to £12. D. T. Watt, the chairman of both mines, in annual state- includes gold among its diversi-

tary "for some time" and Durban Deep "for many years," Mr. Watt said.

In the shorter term dividend prospects look good. If East Rand Proprietary, receives an average gold price of \$373 an ounce, it expects to pay higher dividends than the total of 100 cents (56.3p) distributed for 1979. If Durban Deep receives more than \$350 an ounce for its gold, it expects to distribute more than the 155 cents (87.2p) paid last year.
In London vesterday East Rand

Proprietary shares were 1 higher ● Io Canada, Dome Mines, which

then both mines will remain Campbell Red Lake is seeking profitable—East Rand Proprie to increase its authorised capital to 35m shares from 16m shares.

> STEADY YEAR AT MURCHISON

about the same level as in 1979, when 100 cents (56.3p) were paid, despite increased capital expenditure. -This was made clear yesterday

the same as last year, gold revenue is expected to be conboth mines, in annual statements. They come after a dramatic revival in the fortunes of the mines, both of which are highly sensitive to movements in the bullion price.

If the gold price averages \$373 an ounce this year and increases after that at a rate increases after that at a rate could be a state of the producer of the produce

by Mr. H. Dalton-Brown, the chairman, in his annual state-ment. Although antimony sales

and production should be much

nine months, and earnings per 10p share are shown as 3.71p. A dividend of 0.7525p is announced.

Winston

TAXABLE PROFITS of Winston Estates, property investment development expanded 47 per cent to £408,351 in the year to December 31, 1979. against £276,901, including a surplus on the sale of rental properties.

December 31, 1979, Rock Darham, on revenue profit less tax, are formerly Bank Bridge Group, shown as 2.57p (1.86p), and based on total profit less tax.

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n rescue

ni income

K COMPANY NEW

Lex Service expands £4.8m

FOLLOWING an increase in makes the product very competi-second-half taxable profits from tive and there is an expanding 29.63m to £10.91m. Lex Service desler network. The current second-half taxable profits from 19.63m to £10.91m, Lex Service Group, car and commercial vehicle distributor and hotelier, finished the year to December 31, 1979 with a surplus of £22.8m

compared to £18m.

A final dividend of 4.2p lifts the total from 4.5p to 7p. At the interim stage, directors stated their intention to increase distributions in line with real growth

of the group.
Turnover rose more than £100m from £398.5m to £499.2m and the profit is struck after higher interest charges of £6m (£4.5m).

(£4.5m).
After tax of £3.1m (£2.1m), earnings per 25p share are shown as 30.78p (27.65p).
Extraordinary debits of £0.2m (£1.1m) leave the attributable surplus at £19.5m (£1.28m) and dividends absorb a further £4.6m (£7.7m).

(22./DI).
Comparative figures for 1978
have been restated following a
change in accounting policy with
regard to deferred lease pay-

For a motor distributor Lex's share price has held up remarkably well in these uncertain times. Its strength, of course, is the Volvo contract and margins are generally better than most competitors. Against an overall increase in car sales of nearly 8 per cent in 1979, Volvo's jumped by more than a fifth to increase its market penetration to 2.13 per cent. While much of this is per cent in 1979. Volvo's jumped by more than a fifth to increase its market penetration to 2.13 per cent. While much of this is no doubt due to the slack in the 15.6p to 7.2p and the dividend home market a favourable total is held at 4.125p with a exchange rate against the kroner

dealer network. The current year, although it has opened well, has to be viewed with caution given the pessimistic forecasts for car registrations in the second and third quarters. While this may put some pressure on margins, lex should however be margins, lex should however be able to outperform other distributors. The biggest headache will be a much higher level of interest charges and this will make profits growth that much more difficult to achieve this year. With a historic p/e of 2.8 at 99p, up 3p, and a yield of 11.7 per cent, the shares nevertheless look cautiously rated.

J. Wilkes

AS forewarned at the interim stage, profits of James Wilkes, manufacturer of business forms and equipment, for 1979 are down on those for the previous year. The pre-tax figure finished £295,530 lower at £280,562 and, with the taking £42,774 against \$42,774 against \$42,7 with tax taking £43,774 against £75,030, the net balance fell from £500,862 to £236,588.

41% increase so far at Wolseley-Hughes

CONTINUING the trend of good James's interim figures, a

reasonably encouraging.

The figures include those of the John James Group of Companies for the first time. On a comparable basis, after adjusting for the James's contribution of £1.21m, acquisition interest and losses of subsidiaries no longer trading within the group, the pre-tax figures were ahead by 32.9 losses of subsidiaries no longer trading within the group; the pretax figures were ahead by 22.9 per cent. The James's contribution to the turnover was £16.8m.

tion to the turnover was £16.8m. Interest charges were more than doubled at £1.1m compared with £457,000. The tax charge was £4m against £2.8m.

The merchanting and agriculture and gardening divisions both did well but the engineering division suffered a setback.

The interim dividend is 4.4p (3.6603p). The dividend for the last full year was 10.4245p. last full year was 10.4245p.

performances over recent years full-year profitability should be Wolseley-Hughes, the agriculture maintained. The main problem wolseley-Hughes, the agriculture and gardening engineering and merchanting group, reports a 41 per cent increase in pre-tax profits from £5.4m to £7.7m in the six months to January 31, 1980.

Turnover was well ahead at £102.8m compared with £78.2m and Mr. J. Lancaster, the chairman, says that given a speedy end to the steel strike and no further increase "in the already punitive interest rates," the outlook for the full year looks for the full year looks reasonably encouraging.

The figures include those of on the right side of the £13.3m at which they stood at July 31, leaving the group around a third geared. If the second half shows similar growth, full-year

ahead at half year

PROFITS TAXABLE . F. W. Thorpe, lighting equipment manufacturer, rose slightly from The indications are that Wolseley Hughes is successfully digesting its John James acquisition. While the fil.2m interim profits contribution looks meagre against last year's f4.2m total, it comes net of \$400,000 financing costs. Moreover, \$278 WH, accounting policies are unflattering to year to December 31, 1979.

It is difficult to forecast results for the second half, say the directors; although the order book remains healthy there is uncertainty over steel supplies. In the last full year, profits rose 17 per cent to £791,387.

The interim dividend is increased from 0.725p to 1p—last year's final was 1.5p.

Turnover went ahead from £2.08m to £2.24m. year to December 31, 1979.

Liverpool Post ahead and raises dividend to 9.5p

A SLIGHT increase in secondhalf profits has left the taxable
surplus of Liverptol Dally Post
and Echo, newspaper, printing
group, ahead at £4.11m for 1979,
compared with £4.02m. Turnover for the full period was
virtually unchanged at £54.54m
against £54.4m.

of the balance sheet means the
group is well placed to weather
are recession, and to benefit from
any favourable opportunity that
it may identify.

Comment
LIV. DLY. POST AND ECHO
The year both started and

The directors state that in the present national economic climate it seems likely there will be cutbacks in advertising expenditure in the newspaper industry, which makes it more recently for the present in the prese

industry, which makes it more essential for the group to contain increasing labour costs, particularly at the Liverpool-based newspapers.

Established paper making and packaging interest should maintain trading results, and the directors expect the group to continue to advance in both Canada and U.S. Canada and U.S.

Canada and U.S.

A final payment of 6.038p willlift the dividend total to 9.5p net
per 50p share, compared with a
previous 8.71p.
Pre-tax figure for 1979
Included income of £316.000
(£230.000) and associates' share
of £11.000 (£7.000) and was rub of £11,000 (£7,000), and was subject to tax, much higher at £1.48m against £318,000.

However, there was an extra-ordinary credit of £1.04m (£1.07m debit) which left the balance up from £2.63m to £3.66m.
The directors say the strength

LIV. DLY. POST AND ECHO
The year both started and ended in an unhappy manner for the Liverpool Daily Post and Echo, where pre-tax earnings are just marginally up. Early on the road haulage strike caused problems; in the final quarter advertising began to fall off. Unlike some other regional papers. advertising began to fall off. Unlike some other regional papers, the Liverpool area economy simply did not make for much of an advertising boom; with recession ahead the situation could get worse. Losses from the now sold Ricaleg retailing operation and the closed down Liverpool Web Offset over £300,000 off pool Web Offset lopped over £300,000 off pre-tax profits. Sterling translation from Canadian earnings may have cost Canadian earnings may have cost around £100,000. But the group, at least, has a sound balance sheet as it tightens its belt for a sheet as it tightens its best for a difficult 1980. Pre-tax profits this year are unlikely to surpass the £4m mark where it has been hovering since 1976. The total net dividend is up 17 per cent and yields 12 per cent at 118p. On a full tax charge, the p/e comes to

Courtney Pope uncertain

DESPITE continuing pressure on margins, pre-tax profits of Courtney, Pope (Holdings) improved marginally from £425,000 in the half year to November 30, 1979.

In their annual statement, directors warned that margins were under pressure but, with good prospects and order books for all divisions, they were confident the record of advance over the preceding four years would be maintained.

They now say that although order level are generally satis-

order level are generally satis-



wring is for Britain

In a year of increasing trading and economic difficulties with high interest rates, weakness of the dollar and ever increasing inflation, Bowring has shown marked steadiness in all sectors of the Group's world-wide

These include insurance broking—compares favourably with competitors; insurance underwriting—good year with outstanding results from Crusader; credit finance—Bowmaker affected by high borrowing costs; engineering improvement despite difficult economic environment; merchant banking —Singer & Friedlander another year of progress; trading—profits maintained; shipping-substantial turnaround.

Results of C.T. Bowring & Co. Ltd.

for the year 1979, subject to audit:

	1978	1979
Turnover	£m 1280·9	£m 1351·9
Profit before taxation	38.4	38.5
Taxation	<u> 18·4</u>	<u> 18·3</u>
Profit after taxation	20.0	20.2
Minority	0.6	0.7
Profit before extraordinary item	19:4	19-5
Extraordinary item		<u>0.8</u>
Available for Ordinary Shareholders	<u> 19·4</u>	18.7
Earnings per share	18·1p	17·8p



C.T.Bowring & Co. Ltd.
The Bowring Building, Tower Place, London EC3P 3BE Tel: 01-283 3100 Telex: 882191 (Insurance) Holdings Ltd.

Sun set on North Sea

80 per cent being held by the

has a share of two of the gas discoveries in the Baltimore

Canyon, though neither have yet

been fully tested. This makes Sun the only company with twin

successes in this otherwise dis-

appointing offshore region.

Other offshore interests include

the Georgia Embankment, Georges Bank, Santa Barbara

U.S. cuts hit Latin American loans

NINETEEN LOANS of an already knocked awry the Given the present U.S. preaggregate total of some \$675m bank's plans to lend some occupation with the primaries it due to be made by the Inter-\$2.2bn in the course of 1980. seems unlikely that the impasse American Development Bank (IDB) have been frozen as a ment among the IDB's 41 mem-result of delays in the imple- ber countries reached in 1978,

Lending operations by the bank, which serves most major
Latin American and Caribbean
countries with the exception of
Cuba, have been beliefed in the sound of the bank.

Washington was expected to provide some \$865m this year
as the first contribution to this Cuba, have been halted since operation, but earlier this operation, but earlier this month the House of Representations out of the cut of the c

created obstacles to the inflow foreign aid budget, despite the of funds from other govern- fact that it was strongly sup-ments and there seems to be ported by the Carter administralittle likelihood of a quick solution, by Treasury Secretary tion to the problems that have Miller and the Senate.

Linder the terms of an agreementation by the U.S. of its the bank was to be provided undertaking to contribute to the with \$8bn in new resources. bank's \$8bn replenishment The U.S. committed itself to providing \$2.749m in line with its share of 34.5 per cent of the as the first contribution to this Delays in the U.S. have \$2.749m appropriation from the

can be solved by a special meet-ing of Senators and congress-men in time for the IDB annual meeting scheduled for April 14-16 in Rio de Janeiro.

Delay in the U.S. has already brought serious procedural diffi-culties with monies already voted by other member governments of the bank and a particular appropriation made by the Bonn government has now lapsed. Given Washington's unwillingness to see its share of the capital of and voting power in the bank diminished other countries will, as things stand, have to reduce their own contributions to the bank.

Bank loans for rural develop-

ment and energy projects in Latin America and the Carib-

There is a possibility that the Carter Administration will be able to transfer funds to the bank through emergency spending procedures but it is unlikely that this would cover the whole that this would cover the whole of the \$590m promised for the bank's ordinary resources and the \$175m promised to the Fund for Special Operations, the IDB's soft loan window.

The U.S. is not the only country not to have provided funds it had originally under-taken to provide, others include Venezuela, Israel, Belgium and the Bahamas. Their failure to act is, however, much less serious for the bank than the

Citicorp to acquire stake in Chicago bank

U.S. bank and the largest bank financial year.
in New York, is laying plans to In addition, however. Cititake a 27 per cent stake in a corp has been granted a non-Chicago banking company, even transferable though Federal and state laws purchase \$12m of the company's appears to prohibit such a step. common stock at the book

larly among smaller regional per cobanks, who have become bank, increasingly concerned in recent. The years about efforts by banking years. But, most critically, it giants such as Citicorp to can only be exercised if there spread their business nationally, are changes in current Federal

Citicorp disclosed yesterday and Illinois laws barring inter-that it has invested \$12m buy-state multi-bank holding coming non-voting cumulative preferred stock in Central National Chicago Corporation, a Chicago McFaddan Act and the Douglas bank holding company with total assets at the end of 1979 ing Company's Acts, have been of \$701m and net earnings under heavy fire from large (including tax benefits of banks who would like to estab-

warrant to

The move seems certain to value at the time the warrant stir up intense controversy in is exercised. If it is exercised, the banking industry particuthis would give Citicorp a 27 per cent stake in the Chicago The warrant is valid for 15

> panies and branch banking. Those laws, primarily the amendment to the Bank Hold-

NOTICE TO HOLDERS OF

THE COPENHAGEN COUNTY AUTHORITY US \$25,000,000 91/2% Dollar Notes Due 1st September, 1990

With effect from 21 st March 1980 and pursuant to Clause 2(c) of the Fiscal Agency Agreement, Bankers Trust Company, as Fiscal Agent, has with the approval of the Copenhagen County Authority, appointed Kredierbank S.A. Luxembourgeoise to act as Paving Agent in Luxembourg at its office at 43 Boulevard Royal, Luxembourg

21st March 1980

NOTICE OF REDEMPTION To the Holders of

Aktiebolaget Svensk Exportkredit

(Swedish Export Credit Corporation)

9% Notes Due 1982 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15.

redemption on April 15, 1939, through operation of the Sinking Fund, at the redemption price of 100%

of the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of \$1,000 bearing serial numbers as follows:

OUTSTANDING NOTES BEARING SEBIAL NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

01 06 07 17 42 51 53 64 79 88 96 99

ALSO NOTES BEARING THE FOLLOWING SERIAL NUMBERS:

On April 15, 1980, the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate (rust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway. New York, N.Y. 10015. or (b) subject to any laws or regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London or Paris, at the main office of Banque Générale du Luxembourg. S.A. in Luxembourg, the head offices of Skandinaviska Enskilda Banken. Post- och Kreditlanken. PKbanken or Svenska Handelsbanken in Stockholm or the head office of Götahanken in Göteborg. Payment at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar

referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City.

Coupons due April 15, 1980 should be detached and collected in the usual manner.

On and after April 15, 1980 interest shall cease to accrue on the Notes herein designated for

Following the aforesaid redemption, \$7,500,000 principal amount of the Notes will remain out-

NOTICE

175 179 192 2438 2769 2790 2804 2813 2819 2839 2856 2864 2877 2886 20240 176 191 194 2768 2780 2793 2805 2816 2827 2854 2860 2875 2878 2896 20248

The following Notes previously called for redemption have not as yet been presented for payment:

6263 9063 9863 14263 16263 17363 18363 19363 20463 21163 22065 23463 24163 6563 9163 10263 15263 16363 17663 18863 19463 20663 21363 22363 23563 24463 6663 9663 11263 15363 16463 17763 19163 19663 20963 21563 22163 23663 8863 9763 14163 15663 17063 17963 19263 20163 21063 21863 23363 23763

CITICORP, the second largest \$1.65m1 of \$2.65m in its 1979 lish deposit-taking branches the bank did not need, and had U.S. bank and the largest bank financial year.

across the country. They have not received, approval from the across the country. They have been defended just as resolutely hy small regional banks, who fear such competition.

Citicorp deal, the company is to provide consultancy and subsequently management services to the Chicago bank. It is also examining opportunities to provide such services to other banks in the U.S.

Citicorp said yesterday that

Comptroller of the Currency.

Central National Chicago, which will be using the pro-ceeds of the \$12m largely as an injection of new capital, said that the merger talks it had announced last August with Midland Bancorp, a holding company of Sears Bank and

Record results from May Stores

By Our Financial Staff

RECORD PROFITS reported by May Department. Stores, one of the largest U.S. retailers with about 130 department stores, 45 Venture discount stores and around 800 shoe outlets.-

Net earnings for the 52 weeks ended February 2 were \$114m or \$3.93 a share, an increase of almost 13 per cention the previous year's (53 weeks) \$101m or \$3.52 a share Sales rose 8.8 per cent, from \$2.72bn to \$2.96bn.

Growth slowed significantly in the fourth quarter, however, with earnings of \$60.4m or \$2.08 a share showing a gain of only 4.3 per cent on the previous comparable period's \$57.9m or \$2.01 a share. Sales for the final period were 3.2 per cent up at

Final quarter carnings were reduced by 9 cents a share by expenses related to the acquisition of Volume Shoe

Meanwhile, the quarterly dividend payable June 15 toshareholders registered on June 1 is to be raised from 35 to 381 cents a share.

Germany borrows from OPEC

THE WEST GERMAN Govern- Riad next week, ment has adopted a novel Herr Matthoefer will also be strategy to borrow funds from going to Ankara on the same the OPEC states, spurred by its own credit needs and the country's growing current account deficit.

It is not only acting indirectly through the commercial bank- support-ing system to place Government notes abroad, but is also arranging a direct loan from Saudi Arabia which circumvents the

banks. Details of the Saudi loan are not being revealed. But it is felt tha tthis will be one of the issues under discussion when the Bonn Finance Minister,

trip in connection with the international aid programme for Turkey—which the West Ger-mans are organising and which they hope the Saudis will

New ground

While the spectacle of the West Germans borrowing abroad is in itself unsual, the direct approach by the Bonn Governbreaks new ground.

an issue of promissory notes it did so via the banks-and to. the displeasure at that time of the Bundesbank. The operation quickly ceased...

The current direct approach is clearly being carried through with Bundesbank approval and follows the decision last week to loosen restrictions on the sale of fixed interest securities to foreigners.

The action comes not only against the back ground of a current account deficit which ment to an oil producing state could total DM 20bn this year as well as a net capital outflow When the Government bor- and a weakening Deutsche Mark Herr Hans Matthoefer, visits rowed abroad in 1974 through -notably against the U.S. dollar.

Market awaits \$500m tap issue for Sweden

major sectors of the Eurobond offer neither a coupon nor a market vesterday where the price for the initial tranche. major talking point is the forth-coming \$500m straight dollar offered on a yield basis, as is weden which Salomon Brothers market. The lead managers are and S. G. Warburg are expected believed to be considering a to launch next Monday. believed to be considering a yield of around 15 per cent.

Prices of straight dollar bonds improved by as much as a full point, particularly at the longer Deutsche Mark foreign bonds end before falling back to close were a little easier on the day with net gains of about & of a in thin trading. In the domestic point on the day Floating rate German bond market, the note issues meanwhile continue

Citicorn is issuing what is believed to be the first Eurofloating note without a redemption date. The U.S. bank will thereby raise \$200m for at least 21 years, with the possibility that some investors may provide floating rate funds for a while longer. For the first 30 months the notes will pay interest at the three-month Libor. The note will be redeemable at the holder's option after 20 months and thereafter every six months. The borrower will have the option to call the bond after six years at a price which declines

from 102 in 1986 to par in 1990. The \$500m issue for Sweden marks what many bondhouses feel is the reopening of the fixed-rate Eurodollar bond market, which, with the odd small exception, has been closed since late last summer.

As with a previous issue for the Kingdom of Sweden, arranged last July by S. G. War-

ACTIVITY was subdued in all burg, the lead managers will tap issue for the Kingdom of customary in the Yankee bond

.. The hard currency sectors of the market had mixed fortunes. Bundesbank bought DM50m worth of paper to lend support to prices. Swiss franc bonds ended the day on a mixed note, with more bonds showing gains than losees

Inflation slows AT & T

NEW YORK-American Telephone and Telegraph said the margin of improvement in its earnings per share has continued to narrow due to infla-tion. But the company's long-term outlook is "most

positive."

AT & T said: "The telecommunications market is
burgeoning and we are well equipped to serve it."
The group today reported

carnings for the three months ended February 29 of \$1.4hn or \$1.93 a share, up from \$1.31bn or \$1.89 a share a year earlier, and earnings for the 12 months ended then of 85.71bn or \$8.02 a share, up from \$5.35bn or \$7.81 a share previously.

Ford Motor seeks \$300m By Ian Hargreaves in New York

FORD MOTOR has announced a public offering of \$300m of five and 10 year notes, one day

after its corporate credit rating was cut from Triple A to Double Moody's Investor Service,

which was responsible for the decision to cut Ford's rating, said it would issue a rating on the new notes when it had received details. The rating, however, is certain to be in line with the changed rating of ford's existing public debt. This will mean that Ford will probably have to pay a slightly

nigher interest rate on the new Moody's decision to cut the rating was based on expectations of weakening cash flow and profits in a year when Ford is short of small cars to sustain its U.S. market share—all this

at a time of high investment in

new assembly facilities to launch its new generation of Ford lost \$1bn last year on us North American motors nperations. Targely because of E. Dev. Cpn 10 84 CS 30

BY DAVID LASCELLES IN NEW YORK Sun's second North Sea well in Canada is in oil sands, the SUN OIL, the tenth largest U.S. oil company, has the UK firmly in its sights for oil exploration.

this year will be drilled on block 22/8, slightly to the south. Initial tests there had shows, but Sun has not been In the last few days it has twice made news there: first, when it announced plans to restart drilling in its 16/21 North Sea able to make full tests because of hole problems. block, and second when it joined the bidding for Viking Sun also has a strong interest in the Solent and Isle of Wight Oil, the British company with interests in a couple of North area, close, it notes, to the only sizeable onshore field in

England, at Wytch Farm. Sun and its partners have applied for production licences there. Sea blocks. The closeness of these announcements was no accident. Like a lot of U.S. oil companies, and expects awards covering 127,000 acres to be made some time this year. But Mr. Fetzner acknowledges that the import-Sun's less-than-happy ex-periences abroad in the last few years with nationalisation and ance of the Isle of Wight to sailing and recreation could expropriation have left it wary of seeking oil too far and wide. It has lost production in Venezuela and Iran, and is now present some problems.

The decision to bid for Viking Oil was prompted by that comhaving to pay royalties on its Dubai production in oil, all of pany's obvious amenability to takeover when it accepted an

earlier bid by Deminex of West Germany. Viking has a 20 per cent interest in a couple of North Sea blocks, the remaining. In fact, Mr. Richard Fetzner, president of Sun International, the Sun subsidiary which handles overseas business, narrows the field considerably. Hunt Oil family.

Viking accepted Sun's higher
bid. But Sun's offer has now In an interview earlier this week at the company's new been topped by the Hunts, and its executives spent this week headquarters just outside Philadelphia, he said Sun was now confining its active exploration in a huddle deciding how they should respond. They have 21 days from last Friday to come to North America, the North Sea and the UK. Other parts of the world had become unup with a new offer, but as of vesterday there was no indica-tion as to how their thoughts attractive for a number of reasons, he said, mainly are going.

In the U.S. itself, Sun has interests in many of the more interesting plays. Offshore, it

which has reduced its foreign production to a trickle.

OIL EXPLORATION

political. But within those regions Sun intends to step up its activity considerably from the 300 or so wells it drilled last year.
Average spending on all and
gas exploration over 1980-82
will be 45 per cent higher than
it was in 1979 and will account for nearly half of Sun's total capital outlays.

The new well planned for Nort hSea block 16/21 will complement a well drilled there in 1975 which showed an oil flow of 4,000 barrels a day. At the time Sun did not consider the well economic, but in the light of what has happened to oil prices since then, it wants to have another try.

development of which it has The Athabascan tar sands project is now one of the energy industry's great success stories: it is both famous and profitable. But that only recently became the case For over 2

became the case. For over a decade, the project was a loss-maker as Sun grappled with the huge technological problems of extracting the sand and transforming it into a usable substance. The breakthrough finally

came last year, when the Canadian Government freed tar sand oil from price control and allowed it to rise to world levels. This nearly tripled the value of Sun's product, and the company soon began to recoup its massive outlays. Because the project started

up so long ago, Sun's production costs at Athabasca will be lower than those of new arrivals. Also, Sun will be able to market the technology it has so painfully acquired, all of which says something for its far-sighted-

Other energy areas pushed by Sun include coal, where its main properties are a vast strip mine in Wyoming which serves utilities in Texas and three mines in the traditional eastern Appalachian region. Sun also mines uranium, and is mines uranium, and is interested in developing oil

Sun's heavy spending on oil comes in sharp contrast to the situation in the mid-1970s, when things looked so bleak for energy that the company decided to diversify into brand new areas. In what turned out to be an ill-judged move, Sun holders to buy one-third of Becton Dickinson, a leading Channel and the Gulf Coast.
Onshore, it is active in several areas including the Overthrust
Belt and the Williston Basin.

medical supply company, for about \$300m. The acquisition was challenged by the SEC on the grounds that it constituted Sun is deeply involved in an unlawful tender offer, and in Canadian oil with a string of the end Sun agreed to divest blocks in the Northern islands itself of the shares it had and deltas. But its main thrust acquired.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 20

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*No information available—previous day's price.

† Only one market imaker supplied a price.

Streight Bonds: The yield is the yield to redemption of the mid-plone: the amount issued is in milliohe of currency units 'except for 'Yen bonds' where it is in billions. Chenge on week Change over price a week seriler.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dts — Date next coupon becomes affective. Spread Margin above six-month offered rate (‡ three-month: § above mean rate) for U.S. dollars. Cope—The current coupon. C.yid — The current yield.

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AKTIEBOLAGET SVENSK EXPORTKREDIT

(Swedish Export Credit Corporation)

Canadian Pacific Investments Limited

(Incorporated under the laws of Canada by letters patent dated July 9, 1962 and continued under the Canada Business Corporations Act by certificate of continuance.)

Common Shares

Authorised Unlimited

Issued or agreed to be issued March 20, 1980 66,554,118 shares

Application is being made to the Council of The Stock Exchange to admit to the Official List all the issued Common Shares of no par value of Canadian Pacific Investments Limited.

Particulars relating to Canadian Pacific Investments Limited are available in the statistical service of Extel Statistical Services Limited and copies of such particulars may be obtained during usual business hours up to and including April 4, 1980 from:

R. Nivison & Co. 25 Austin Friars London EC2N 2JB

Wood Gundy Limited 30 Finsbury Square London EC2A 1SB

Pierson, Heldring & Pierson N.V. Herengracht 214, Amsterdam 1016 BS

March 21, 1980

Dated: March 11, 1980

Sharp downturn in final quarter hits Philips

BY OUR FINANCIAL STAFF

Philips, the Dutch electrical in 1978. group, with lower profits for 1979.

At the net after tax level

However, the group hinted per cent for the year as a whole, that earnings problems could * * * arise in the final three months of 1979-"much will depend on television sales in the three months to December," Philips "stressed, adding that "so far in 1979" they had been disappointing.

The group, whose operations in Europe account for about 60 per cent of sales, with a further 25 per cent arising in North

A SHARP downturn in the all fits per share lower by 14 per important final quarter has left cent at Fl 3.29 against Fl 3.81

On sales higher by 3 per cent the group was able to announce net profits of Fl 462m for the profits declined by 12 per cent first nine months of 1979. to F1 619m last year compared Volume sales for the period with FI 707m in 1978—having been ahead by 7 per cent after at the time Philips expected the first nine months of 1979.

were some 5 per cent ahead and at the time Philips expected actual unit sales to grow by 6

> CALAND HOLDINGS. Dutch specialised shipbuilding investments by the oil industry group formerly known as IHC Holland, which Holdings, reported sharply is 46 per cent owned by Caland. higher profits in 1979 and pro-posed an increased dividend.

Net profit rose by 65 per cent to Fl 16.3m (\$8m) from Fl 9.9m in 1978. Caland will double its on Dutch earnings last year payment into reserves to FI because of accumulated losses 11.5m and proposes raising its in previous years. In 1978 the and South America, reports pro- dividend to FI 1.50 per FI 10 tak bill was FI 2.8m.

nominal share from FI 138 in

Operating profits of Caland's to Fl 1 m from Fl 2.4m, while fits to Fl 12.1m from Fl 3.3m. Profits of Mining and Transport Engineering (MTC) were lower than in the previous year. IHC fine, which groups the foreign activities and in which Caland has a 40 per cent stake, also made slightly lower profits as a the result of a slow down in offshore ding investments by the oil industry.

were in line with earlier forecasts and were covered by the Ff 40m provisions made by Caland in 1978. It paid no tax

Profits fall at Commerzbank

BY KEVIN DONE IN FRANKFURT

WEAKENING GROWTH and Bundesbank in February to ness back into a better balance, declaring earnings marked last raise its key interest rates, Herr This activity was clearly helped year's performance by Commerz. Dhom expects improved results by the high level of German in-bank, one of the leading West in the domestic market this dustry's capital expenditure. German commercial banks. A year, as the rise in Lombard and and Commercian is making similar picture is expected to emerge in the next two weeks from the other major banks, including Dresdner and Deutsche

Commerzbank's consolidated balance sheet total exceeded the DM 100bn mark for the first time, rising by 14 per cent to DM 100.30n - compared with DM 88bn in 1978. But the growth was slower than in 1978, when balance sheet total grew by 17 per cent.

At the same time the bank's earnings performance was hit badly by the world-wide climb in interest rates, with consolidated net income felling by 36 per cent to DM 142.5m. Commerzbank has had to

according to Herr Robert Dhom, cent.

Seconding to Herr Robert Dhom, cent.

Second to Herr Robert Dhom, cent

discount rates has allowed the special efforts to strengthen its commercial banks to improve links with small and medium-their interest margins.

The main reason for the expansion of the bank's business volume last year came from its private sector customers. Some lending business. For the con- 11.9 per cent of its domestic solidated concern long-term lending business is with trading loans and advances to customers companies, 9 per cent with elec-increased by 21.6 per cent to trical and plasfics and metal DM 35bn, while loans of less processing companies, 8.9 per than four years' maturity in cent with the mechanical en-DM 35bn, while loans of less process

On the other side of the balance sheet, customers' deposits grew by only 1.9 per for 29.5 per cent of lending, an cent to DM 39.9bn. Borrowings increase of 23.9 per cent from banks grew by 29.5 per cent, however, to DM 36.8bn while advances to banks totalled

As a result of the move by the domestic non-bank credit busi-

Commerzbank gives a detailed account of its industrial and creased by 16.8 per cent to gineering, ship and motor DM 20.5bn. sections and 10.8 per cent with

service, companies. Private customers accounted

The period of Commerzbank's vigorous overseas expansion write down its securities port while advances to banks totalled appears to be near an end. Herr folio by more than DM 100m. DM 30.5bn, a rise of 21.9 per Dohm said the bank had no according to Herr Robert Dhom, cent.

Siemens plans rights offering

BY ROGER BOYES IN BONN

board, announcing the decision at a general meeting in Munich, said that the new shares, to be priced at DM 100, would be on offer between mid-May and the beginning of June, and would be eligible for a dividend backdated to October 1979. The group paid an unchanged 16 per

cent dividend last year.

The move lifts Siemens' basic capital to over the DM 1.8bn mark and has to be seen in the context of the company's ambitious investment plans for this year. Although company executives stress that the investment programme would have been carried out even without a new capital injection, the new funds will clearly con-

SIEMENS, West Germany's tribute significantly to the DM -will show up on the books largest electrical group; yester. 20n investment plans. "We are later this year, as will numerous day amounced a one-for-17 not short of cash," said a overseas orders. KWU's rights issue to raise DM 225m Siemens executive yesterday. troubles, especially in Iran, led (\$120m). "It is simply part of our longto a DM 15n drop in sales last
Herr Peter von Siemens, standing dividend-cum-new year to DM28bn.
Chairman of the supervisory issue policy."

The general improvement the decision of the supervisory issue policy."

The general impression of Siemens announced that he is good health was reinforced by to retire in January next year Herr Bernhard Plettner, Siemens' chief executive, who declared that he expected placed by Herr Pletner. It will be the first time in the common this year in the first three name's 12d year bictory that cent this year. In the first three pany's 130-year history that a months of the business year member of the Siemen's amily (started October 1), orders and has not headed the group's turnover in almost all of the supervisory board Herr Plettner

cent or more. his it Even Kraftwerk Union, the Kaske. power station subsidiary and Deusche BP will have a pro-Siemens' enduring problem visional loss of DM150m on its

divisions had grown by 10 per is expected to be replaced by cent or more.

child, seems to be doing well. minetal oil operations in the A domestic order for a nuclear first quarter of this year, against A domesmic order for a nuclear hist quarter of the several years because of the for the whole of 1979. The first political uncertainties surrounding nuclear power in Germany in crude oil prices.

Krupp Steel bounces out of the red

By Our Financial Staff

STEELMAKING WITHIN the Krupp empire has bounced back to a profit after four years of losses. For 1979 Krupp Huettenwerke reports a net profit of DM 10m, compared to losses of DM 65.8m.

Sales were a fifth higher at DM 5.28bn. The company said yesterday that last year's turn-round resulted from higher solume and prices, coupled with rationalisation.

Special steel sales rose to 52 per cent of the year's steel turnover total of DM 3.8bn from 47 per cent of 1978's DM 3.36bn.

Results in 1980 will be affected by "political uncertainties as well as further energy and raw material cost increases which the company will try to balance with higher prices."

Sharp earnings increase for French drugs group

BY TERRY DODSWORTH IN PARIS

CONSOLIDATED profits at more moderate 20 per cent to Sanofi, the French pharmaceureach FFr 2,95bn. ticals and cosmetics company, Last year, pharmaceutical shot up sharply last year in the sales accounted for the largest course of a long period of re-organisation in preparation for rising by 14.7 per cent to its introduction to the Paris FFr 14bn. But the cosmetics

yesterday in preparation for the flotation next week, profits should reach about FFr 140m should reach about FFr 140m (\$32.5m) against FFr 89.9m. Excluding minority interests, they will be about FFr 127m against FFr 76.6m.

minor activities accounted for FFr 107m of sales.

Sanofi, a group put together through acquisitions by the oil company. Elf Aquitaine, over

its reorganisation. Turnover, tives in the constituent comby contrast, moved up by a panies.

interests achieved a faster growth rate with sales increas-According to preliminary ing by 23.4 per cent to figures released by the group FFr 1.2bn, while turnover of veterinary products rose by 40 per cent to FFr 173m. Other.

The 56 per cent jump in the last few years, says that its profits indicates that the group re-organisation is designed to is already beginning to reap improve its performance by bringing together similar activities the constituent com-

Turnround by Swedish steel maker

BY VICTOR KAYFETZ IN STOCKHOLM

ting group, fulfilled its forecast. Billerud Uddeholm. of a return to profit after a period of large losses and major reorganisation.

Group pre-tax earnings were SKr 3m (\$0.7m), against a loss in 1978. But stock gains accounted for SKr 179m or more than half the 1979 improvement. The board, describing recommends passing the divi-dend for the fourth consecutive

Extraordinary items showed a surplus of SKr 39m, down from 147m in 1978 when Uddebolm made large capital gains from the sale of its forest

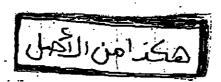
UDDEHOLM the Swedish industry and chemical opera- 1980, saying favourable trends special steel and power-genera-tions to Billerud, now called

Group sales in 1979 totalled SKr 3.28bn (\$746m), against SKr 2.54bn in 1978, but the preliminary report does not state clearly by what percentage turnover rose for comparable units. The 1979 sales figure does,

however, include about SKr 820m from Gränges NYBY, the central Swedish stainless steel maker, 90 per cent of which Uddeholm purchased last summer from Gränges.

operations, Uddeholm states. patries in Duddeholm predicts a profit in and France.

from late 1979 will continue until late this year. The ensuing recession will be milder for the group than that of 1976-77 because of the relatively low inventories held by industrial customers, the group states. • ISS, the office-cleaning and security systems group, reports an increase in sales from DKr 2.05bn to DKr 2.97bn for last year. Pre-tax earnings were down from DKr 76.6m to DKr 65.2m. The board proposed a 10 per cent dividend. Most companies in the group reported The 1978 sales figure includes satisfactory results, with the SKr 533m from Forest industry exception of the security companies in Switzerland, Holland

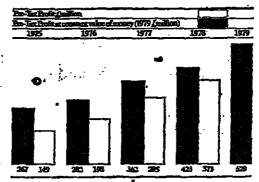


clays Bank Limited.

The Directors of Barclays Bank Limited report the Group results for the year ended 31st December 1979.

The Barclays Group pre-tax profits for 1979 amounted to \$529.4 million compared with £373.3 million for 1978, an in-

"In today's climate of inflation it is essential that international banks make adequate profits to support their world wide deposits. In our case these deposits have risen during 1979 from £20.8 billion to £26.3 billion, partly due to expanding business but partly as a result of inflation. The impact on our results since 1975 is shown on the following chart.



Of the increased profit, the major part came from the continued expansion of the clearing bank business which also benefited substantially from high interest rates. We are conscious of the fact that these high rates, although an instrument of Government policy, have the effect of increasing the profits of the bank, whereas borrowing customers bear the burden. Stockholders and indeed all those concerned with our results would expect the bank to perform well in these circumstances in order to provide the strength we shall need when rates fall, as everyone must hope they will; we may then be balancing a lower income against higher costs in a period of economic stringency.

Despite the fact that a strong pound and narrow spreads in the Eurodollar market made profits harder to earn, Barclays Bank International has achieved a satisfactory increase of 12% to £137.7 million before tax, the result of general growth of our business throughout the world. The figure includes a contribution since May 1979 from our newly acquired finance company, BarclaysAmericanCorporation.

For the first time, almost all the Group's subsidiaries have produced accounts to the 31st December. In order to give a true comparison, their profits for the year 1979 have been consolidated in the profit and loss account; those for the last three months of 1978 (approximately

£40 million before tax) being placed direct to the reserves.

We have recommended an increase in dividend which takes into account that our distributions since 1973 have fallen behind the rate of inflation. In addition we propose a one for five scrip issue to Ordinary Stockholders, Although this will do no more than divide the total cake into more slices, a number of Stockholders have suggested that we take this step. We hope, subject to any unforeseen circumstances, to pay the same rate of dividend for the year 1980 on the increased capital.

Sir Anthony Tuke, Chairman of Barclays Bank Limited

A COMPARISON OF 5 YEARS' RESULTS

1979 (m) £m. 148.7 DIVIDEND

The Directors recommend a final dividend for 1979 of 10.25p per £1 Ordinary stock (1978 - 7.4939p) payable on 19 May 1980 in respect of stock registered in the books of the company at the close of business on 14 April. On this basis the total distribution for the year will be 18.5p (1978 - 13.5439p); an increase of 36.6% over 1978. It is recommended that holders of Staff Stock should receive a final dividend for 1979 of 7p per £1 Staff stock.

PROPOSED CAPITALISATION ISSUE

The Directors also recommend the capitalisation of reserves to enable the allotment to Ordinary Stockholders on the Register of Members at the close of business on 16th May 1980 of one new Ordinary share of £1 credited as fully paid up for each £5 of Ordinary stock then held. On issue the new shares will be converted into stock. This new stock will rank part passu in all respects with the existing Ordinary stock, except that it will not rank for any dividend which may be paid or declared for the year ended 31st December 1979.

Unless unforeseen circumstances arise, the Board hopes to maintain the

rate of dividend on the increased Ordinary stock for the year ending 31st December 1980.

Stockholders will be invited to pass resolutions at the Annual General Meeting to bring about an increase in the authorised capital of the Bank and the proposed capitalisation of reserves.

Full details of these proposals will be set out in the Annual Report and Accounts which, together with the Chairman's Address, will be posted to every Stockbolder.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1979		
Operating profit (notes 1, 2 and 3)	1979 £m 502-0 44-8	1978 £m. 348.3 43.3
Interest on loan capital	546.8 17.4	391.6 18.3
Profit before taxation and extraordinary items	529-4 162-0	373-3 135-5
Profit after taxation	367-4 18-3	237.8 11.7
Estraordinary items	349.I (0.6)	226.I 2.4
Profit annibutable to members of Barclays Bank Limited	348.5	228.5
Toposed Inst.	23.9 43.I	29.7
Profit retained	305-4	198.8
Sarpings per £1 Ordinary stock (note 7)	150.5p	T05.3p

NOTES: L. The bases of accounting areas explained on pages 55 and 56 of the 1978 annual accounts with the exception that all principal subsidiary companies now account to 31 December. 8. Details of provisions for backend doubtful debts are as follows:

2. Following the change of accounting dates of subsidiary companies, the Group profit Legislating the change of accounting dates of substituty companies, the croup profit for 1979 is based on results for the twelve months ended 31 December. The profit of substituty companies for the period between the date at which accounts were previously prepared (mainly 30 September 1978) and 31 December 1978 amounted to £40.4m and after adjustment for taxation and minority interests has been credited to

3. Operating profit is stated after: (i) charges for bad and doubtful debts of £55.0m (1978 - £22.8m); (ii) losses of £12.3m on realisation of investments (other than trade investments) (1978 -(iii) depreciation of £58.cm (1978 – £40.9m) on Bank premises, other properties and equipment, of which £9.2m (1978 – £6.8m) is in respect of the depreciation of free-hold premises;

(Of the increase in the depreciation charge for 1979 approximately £11m is due to

revaluation of properties and reclassification of assets.) (iv) allocation of £20.3m to Trustees for the profit sharing schemes (1978 - £14.7m).

4 The total profit of the Group, before interest on loan capital and taxation arises from: Barclays Bank Limited
Barclays Bank International Group
Barclays Merchant Bank 391.6

5. Taxation charged against profit for the year has been reduced by £109.5m (1978 – £59.2m) due to the deferment of tex liabilities for which provision has not been made. The total amount of potential deferred taxation not provided at 31 December 1979 is £314.6m (1978 - £183.7m). The Directors consider it prudent to continue to maintain a provision of 25% of the potential taxation liability in respect of the Group's UK leasing business.

6. Dividends: 6,0500 13.5439 26.4286° a The gross equivalent rates are, 19.7355° 7.0

7. Earnings per £1 Ordinary stock are based upon profit after taxation and after deducting profit attributable to the minority stockholders of subsidiaries, but before extraordinary items. Dividends on the Staff stock are also deducted. ordinary items. Dividends on the Stati stock are also deducted. The earnings amount to £349.0m (1978 – £226.0m) and are related to the weighted average of £231.9m Ordinary Stock (1978 – £214.7m) in issue during the year.

The Bank 1979 £m 216.7 Provisions raised, less amounts 257.8 41.1 Amounts written off..... Provisions at end of year.... Provisions at 31 December: Specific 150.9 65.8 216.7 400.0 91.3 193.0 Both specific and general provisions against advar Charge against profits: Charge/ (credit) for specific provisions Charge for general provisions...... (21.1) (10.8) Recoveries of amounts previously <u>(5-5</u>) (2.3) <u>(r.9</u>) (z.5) profit 9. Stockholders' funds (issued capital and reserves) have increased as follows: 1978 £m 198.8 Profit retained

Another arising on change of accounting date (see note 2)

Issues of stock (including share premium)

Surplus on revaluation of properties

Non-trading exchange deficit

Goodwill on acquisition of interests in subsidiary companies Other items.... At beginning of year Stockholders' funds at end of year.... 10. Certain balance sheet figures are: Capital resources:
Stockholders' funds
Minority interests in subsidiary companies...... 215 1,641 20,841 16,757 23,884

11. Current cost accounts have been prepared in accordance with HD24, the proposed accounting standard issued by the Accounting Standards Committee. In the current cost accounts, provision is made for the effect of inflation on the capital base of the Group in terms of a monetary working capital adjustment which amounts to £167.8m (1978 - £71.8m). After taking this and other adjustments into account, a comparison of the main future in the historic cost accounts and the current cost account. of the main figures in the historic cost accounts and the current cost accounts shows:

Advances....

Historic Current Historic Current Cost Accounts Accounts Accounts Accounts

BARCLAYS



And the state of t

BY ORDER OF THE BOARD, D. H. JOHNSON, SECRETARY, REG. OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH.

Reg. No. 48839 20th March 1980

TRUST OF PROPERTY SHARES LIMITED

(Incorporated in England under the Companies Acts 1948 to 1976) (Company No. 1484606)

SHARE CAPITAL

Authorised

Issued and to be issued fully paid

£350,000 in Ordinary Shares of 5p each £300,000

At 18th March, 1980, the Company had outstanding no loan capital or loan capital created but unissued and no borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances, normal trade bills or acceptance credits, mortgages, charges, hire purchase commitments, or guarantees or other material contingent liabilities.

PLACING

QUILTER HILTON GOODISON & CO.

2,700,000 Ordinary Shares of 5p each at 10p per share

A proportion of the shares the subject of this placing has been allocated to the market. From this allocation, shares will be made available to brokers making application on behalf of their clients on the date of publication of this Advertisement.

DIRECTORS

DIRECTORS

EVERARD NICHOLAS GOODMAN, F.C.A., (Chairman)
6, Welbeck Street, London W1M 8BS

ROBERT ALISTER PEEL BRUCE, A.F.C., F.C.A.
Abbots Leigh, Haywards Heath, Sussex

STANLEY KON, F.C.A.

19, Cavendish Square, London W1M 0HJ
ALAN PETERS, A.C.L.S.
36/40, Wigmore Street, London W1H 9DE
VICTOR ARTHUR EVELYN WOOD, F.R.I.C.S.
23, Berkeley Square, Mayfair, London W1X 6AL
SECRETARY AND REGISTERED OFFICE
STANLEY KON, F.C.A. STANLEY KON, F.C.A.
6, Welbeck Street, London WIM SBS
REGISTRARS AND TRANSFER OFFICE

16, Harcourt House, 19, Cavendish Square, London WIM 0HJ

The Directors consider that there is a demand for a new investment trust, with the special taxation advantages which apply thereto, to invest in the shares of listed and unlisted property companies and the Company has been formed with a view to meeting this demand.

By an Agreement dated 20th March, 1980:—

CAVENDISH REGISTRARS LIMITED

(i) Quikter Hilton Goodison & Co. have agreed to subscribe or procure subscribers for 2,700,000 Ordinary Shares of 5p each; and

(ii) Mr. E. N. Goodman and the other persons specified in paragraph 5 under Statutory and General Information below have agreed to take up 3,300,000 Ordinary Shares of 5p each In each case at the price of 10p per share in cash and subject only to all of such shares being admitted to the Official List of The Stock Exchange on or before 26th Merch, 1980. All of such Ordinary Shares will rank pari passo in all respects as one class of share.

The Directors intend to invest the funds available mainly in a range of ordinary shares in listed property companies incorporated in the United Kingdom. Property, particularly having interversionary potential, is regarded as an excellent hedge against inflation and the policy of the Directors will be to create a belanced portfolio to achieve growth in both income and capital appreciation. Quilter Hilton Goodison & Co. will provide advice to the Directors on the Company's investments in listed property companies.

The Directors also favour investment in the shares of unlisted companies owning reversionary shop and office properties and when suitable opportunities arise intend to invest up to 15 per cent, shop and office properties and when suitable opportunities arise intend to invest up to 15 per cent, of the assets of the Company in such shares. This activity is one in which the Chairman has specialised for many years.

has specialised for many years.

The Directors intend that the Company will conduct its affairs to satisfy the conditions required for it to be approved as an investment trust in accordance with section 359 of the Income and Corporation Taxes Act 1970 (as amended). Accordingly, the Company will not retain in respect of any accounting period more than 15 per cent. of the income it derives from shares and of any accounting period more than 15 per cent. of the income it derives from shares and securities. The distribution as dividend of surpluses arising from the realisation of investments is prohibited by the Company's Articles of Association.

Not more than 10 per cent. of the assets of the Company or, if the Company has any subsidiaries, of the Company and its subsidiaries ("the Group") (before deducting borrowed subsidiaries, of the Company and its subsidiaries ("the Group") (other than those of money) will be lent to or invested in the securities of any one company (other than those of another investment trust which has been approved by the Inland Revenue or which would qualify for such approval but for the fact that it is not yet listed) including loans to or shares in any subsidiary of the Company.

Not more than 15 per cent, of the essets of the Company or Group (before deducting borrowed ney) may be invested in:—

(a) securities not listed on any recognised stock exchange (for this purpose securities deelt in "over-the-counter" in the United States of America and Canada are treated as

(b) holdings in which the interests of the Company and any subsidiaries of the Company exceed 20 per cent. of the aggregate of the equity capital (including any capital exceed 20 per cent. of the aggregate of the equity capital having an element of equity) of any one listed company (other than another investment trust which has been approved by the Inland Revenue or which would qualify, for such approval but for the fact that it is not yet listed).

TAXATION

The Directors consider it unlikely that the Company will be a close company immediately following completion of the placing now being made. On the basis that the Company is approved as an investment trust in accordance with section 359 of the Income and Corporation Taxes Act 1970 (as amended), any chargeable gains realised by the Company will, under the existing legislation, be chargeable to corporation tax at an effective rate of 10 per cent. Under existing legislation, a shareholder disposing of his shares in the Company would be entitled to a existing legislation, a shareholder disposing of his shares in the Company would be entitled to a existing legislation. As the company of his shares in the Company would be entitled to a existing legislation. As the company of the shareholder who is unsure about the 94 (4) of the Capital Gains Tax Act 1979. Any prospective shareholder who is unsure about the significance for tax purposes of an approved investment trust should consult his own tax adviser.

Mr. E. N. Goodman (aged 48) has since 1972 been Executive Chairman of a group of property investment companies owning portfolios of shop and office properties in the United Kingdom. Prior to that time, he was Managing Director and principal shareholder of The Collingwood Group Limited an industrial holding company with property interests whose shares were placed in 1959 and listed until 1972 when a takeover bid was accepted for the company. Mr. R. A. P. Bruce (eged 64) has wide experience of portfolio and securities management.

Mr. Bruce has also had considerable experience in the operation of investment trusts end has been a Director of London and St. Lawrence investment Company Limited (a listed investment trust) for more than ten years. He is also a Director of Practical Investment Co. Limited and Country and New Town Properties Limited.

Mr. S. Kon (aged 44) is a sensor partner of Durhams, Chartered Accountants, of 19, Cavendish uare. London W1 and specialises in taxation matters relating to property and investment

Mr. A. Peters (aged 37) is senior partner of Alan R. Peters & Associates, corporate and personal investment advisers. Since 1974 he has been a Director of Wilson (Connolly) Holdings Limited. a listed Northempton based group engaged in the development of housing estates and

Mr. V. A. E. Wood (aged 52) is senior partner of John D. Wood, Surveyors and Valuers, of 23, Berkelsy, Square, Mayfair, London, W1.

DIVIDEND\$

The Directors expect to declare in each year dividends payable annually in mid April. Total annual dividends are expected to amount to between 85 per cent. and 95 per cent. of all the Company's income available for distribution in each year.

Peat. Marwick. Mitchell & Co. have accepted appointment as auditors of the Company. Annual accounts will be made up to 31st December. The Company's first period of account will end on 31st December, 1980.

STATUTORY, AND GENERAL INFORMATION

The Company was incorporated in England under the Companies Acts 1948 to 1976 as a private company limited by shares on 11th March, 1980 with an authorised share capital of 200,000 divided into 6,000,000 shares of 5p each, two of which were issued nil paid. At an Extraordinary General Meeting held on 20th Merch, 1980 resolutions were duly passed (i) increasing the authorised share capital of the Company to £350,000 by the creation of 1,000,000 Ordinary Shares of 5p each and (ii) converting the Company into a public company and adopting new Articles of Association.

2. Accountants' Report

3. Articles of Association

1. Puddie Dock, Blackfriars. Landon EC4V 3PD.

20th March, 1980.

Trust of Property Sharea Limited Dear Sirs.

We report that Trust of Property Shares Limited was incorporated on 11th March, 1980 and has not yet commenced trading. No audited accounts have been propared and no dividends have been declared or paid.

Peat, Marwick, Mitchell & Co.. Chartered Accountants.

The Articles of Association of the Company contain (inter alia) provisions to the following effect:-

(i) A director shall not be required to hold any shares of the Company by way of qualification.

A director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

(ii) The directors may repay to any director all such reasonable expenses as he may incur attending and returning from meetings of the directors or of any committee of the directors or General Meetings or otherwise in or about the business of the Company. (ii) The directors may from time to time appoint one or more of their body to be the holder of any executive office on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

BANKERS BARCLAYS BANK LIMITED 46. Park Lane, London WIA 4EE
COUTTS & CO.
16, Cavendish Square, London WIA 1EE BROKERS QUILTER HILTON GOODISON & CO. Garrard House, 31/45 Gresham Street, London EC2V 7LH and The Stock Exchange

AUDITORS AND REPORTING ACCOUNTANTS PEAT, MARWICK, MITCHELL & CO. Chartered Accountants

1, Puddle Dock, Blackfriars, London EC4V 3PD SOLICITORS

BRECHER & CO. 78, Brook Street, London W1Y 2AD

(w) The ordinary remuneration of the directors will from time to time be determined by an Ordinary Resolution of the Company. Any director who holds any executive office or who serves on any committee or who otherwise portorms services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the directors may determine.

determine.

(v) A director may be a party to or be in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company) under the Company or any other company in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such company and he remunerated therefor and in such case as aforessid (save as otherwise agreed) he may aretain for his own absolute use and benefit all profits and advantages accruing to him there-under or in consequence thereof.

retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

(vi) The statutory provisions concerning the retirement of directors on reaching a specified age
or requiring any special formality in connection with the appointment of any director over a
specified age do not apply to the Company.

(vii) Subject to certain exceptions a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than
by virtue of his interests in shares or debentures or other securities or otherwise in or
through the Company. A director shall not be counted in the quorum at a meeting in
relation to any resolution on which he is debarred from voting.

(vii.) Where proposals are under consideration concerning the appointment (including fixing or
varying the terms of appointment) of two or more directors to offices or employments with
the Company or any company in which the Company is interested, such proposals may be
divided and considered in relation to each director separately and in such case each of the
directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and
be counted in the quorum) in respect of each resolution except that concerning his own
appointment.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking and property (both present and future) including uncalled capital. The aggregate for the time being owing by the Group in respect of monies borrowed by it (axclusive of monies borrowed by any member of the Group from any other member) may not at any time, without the prior sanction of the Company in general meeting, exceed (i) a sum equal to twice the consolidated share capital and reservés (as described in the Articles) of the Group or (ii) until audited accounts of the Company for the period ending 31st December, 1980 have been published, £450,000.

Votes of Members

On a show of hands every member who is present in person shall have one vote and on a police every member who is present in parson or by proxy shall have one vote for every share of which

ry member who is present in the Shares of the Company interests of Directors and Others in the Shares of the Company immediately after completion of the placing and the subscription for shares referred interests of the Directors and their families in the share capital of the Company, as will the Register maintained pursuant to the Companies Act 1967, will be as follows:—

Ordinary Shares of 5p

Rangingial Non-Beneficial

E. N. Goodman

R. A. P. Bruce

S. Kon

A. Peters

V. A. E. Wood

Save as aforesaid, the Directors are not awars of any person who will, immediately after completion of the placing and subscription for shares referred to herein, be beneficially interested in 5 per cent or more of the issued share capital of the Company.

Material Contract

By a Agreement stated 20th Mosch 1990 and made between the Company.

By an Agreement dated 20th March, 1980 and made between the Company (1) the Directors (2) Mr. E. N. Goodman (3) Comer Investments Limited (a company under the control of Mr. Goodman and his family) (4) Evergood Investments Limited (a company owned by the Trustees of The E. N. Goodman 1962 Sattlement) (5) and Quiter Hilton Goodison & Co. (6) (a) Quiter Hilton Goodison & Co. (6) (a) Quiter Hilton Goodison & Co. agreed to subscribe or procure subscribes for 2,700,000 Ordinary Shares of 5p each in the Company at 10p per share and (b) the percise of the third, fourth and fifth perts to the said Agreement agreed to take up an aggregate of 3,300,000 Ordinary Shares of 5p each in the Company (including the two nil paid shares already in issue) at 10p per share, subject only in both cases to ell of such shares being admitted to the Official List of The Stock Exchange on or before 26th March, 1980. The Agreement provides for a fee of £4,000 to be paid by the Company to Quilter Hilton (a) above.

(a) above.

Save as aforesaid, no contracts (not being contracts in the ordinary course of business) have been entered into by the Company since its incorporation.

 General
 (i) Save as disclosed herein: no share or loan capital of the Company has been issued for cash or for a considera-tion other than cash and no such capital of the Company is now proposed to be so issued;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital;
(ii) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;
(iii) No material issue of shares (other than to shareholders pro rate to existing holdings) will be made within one year and no issue will be made which would effectively after the control of the Company without in either case prior approval of the Company in general meeting:
(iv) The Company has no subsidiaries:

of the Company without in either case prior approval of the Company in general meeting:

(iv) The Company has no subsidiaries:

(v) The minimum amount which in the opinion of the Directors must be raised for the matters specified in peragraph 4 of Part 1 of the Fourth Schedule to the Companies Act 1948 is \$200.000 made up as follows:—

(a) purchase price of property, nil;

(b) preliminary expanses and commissions, £4,250;

(c) repayment of moneys borrowed, nil;

(d) working capital, £485,750.

Of these amounts, the preliminary expanses and commissions and £325,750 of the working capital will be provided by the subscription for 3,300,000 shares referred to in paragraph 5 (b) above and the balance of £170,000 required in respect of working capital must be raised by the placing.

Funds available for investment are expected to amount to approximately £574,000 following completion of the placing and the subscription of shares raferred to herein:

(vi) The Directors are of the opinion that on receipt of the minimum amount specified in paragraph (v) above, the Company will have sufficient working capital for its present requirements;

requirements;

(vii) The costs, charges and expenses of and incidental to the issue of this Advertisement and of the application for listing, including printing and advertising costs, Stock Exchange, accountency and legal fees, are estimated to amount to approximately £19.750 (inclusive of Value Added Tax) and are payable by the Company. In addition, capital duty at the rate of 1 per cent, will be payable on the total amount of the shares placed and subscribed for as mentioned herein (amounting to £5.000 in aggregate). Preliminary expenses are estimated to amount to £250 and are also payable by the Company;

(viii) No amount or benefit has been paid or given to any promoter of the Company and none is intended to be paid or given:

(ix) No Director has or is proposed to have a service contract with the Company:

(x) The Company is not engaged in any litigation or arbitration and no litigation or claim.

(ix) No Director has or is proposed to have a service contract with the Company:
(x) The Company is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against the Company:
(xi) No Director of the Company has or has had in the two years immediately preceding the publication of this document any interest in any assets acquired, disposed of or leased to or by, or proposed to be ecquired, disposed of or leased to or by, the Company:
(xii) Save as disclosed herein, no Director of the Company is materially interested in any contract or arrangement subsisting at the date of this document and which is significant in relation to the business of the Company;
(xiii) Peat, Marwick, Mitchall & Co. have given and have not withdrawn their written consent to the issue of this document with the inclusion harein of their report set out above in the form and correct in which it is included;
(xiv) It is estimated that the eggregate emoluments of the Directors for the period ending 31st December, 1980 will not exceed £3,000;
(xv) The documents attached to the copy of this document and delivered to the Registrar of Companies for registration were:—

Companies for registration were:—

(a) a copy of the Placing Letter and of the Form of Acceptance;
(b) a copy of the metanal contract referred to in paragraph 5 above;
(c) the report of Peat, Marwick, Mitchell & Co. and their written consent referred (xvi) Mr. S. Kon is a shareholder in Cavendish Registrars Limited which will receive a fee from

7. Decuments for Inspection
Copies of the following documents will be available for inspection at the offices of Quilter Hilton
Goodison & Co., Gerrard House, 31/45 Gresham Street, London EC2V 7LH during normal business
hours on any weekday (excluding Saturdays and public holidays) until 3rd April, 1990:—

(a) the Memorandum and Articles of Association of the Company;
(b) the report of Past, Marwick, Mitchell & Co. and their written consent referred to

above; (c) the meterial contract referred to in paragraph 5 above. Dated 20th March, 1980.

INTL. COMPANIES & FINANCE

ANI improves payout as sales rise by 11%

BY OUR FINANCIAL STAFF

group, raised its net profit for the seven months to January 31 to A\$9.32m (U.S.\$10.1m), from ASS.06m in the same period of the previous year. Sales in-creased by 11.8 per cent to AS260.8m (U.S.\$283.4m), from A\$233.3m.

The interim dividend has been raised to 5.4 cents a share from 5.1 cents.

The higher profits represent the 25th consecutive half-year's rise, and are attributed by the division also improved. company to improved performances in most sectors of its

ANI forecasts that 1979-80

Mr. E. A. O'Halloran, the chairman, said that the Steel-mark division's steel and aluminium merchandising business produced results significantly better than last year,

duced its best-ever results, while returns from the investment Profits from Ani's overseas interests were also ahead of the

will produce the 13th successive forming divisions showed an

through increased demand and a rationalisation programme.

The equipment merchandising sector, Ani Perkins, again pro-

year-ago figures. The return from the metal

AUSTRALIAN National Industries (ANI), the engineering, records being set in pre-tax and motor vehicles and investment post-tax profits, sales and divi-

Although results from AM Sargeants heavy engineering business were below last year peak profits were at r less described as satisfactors's

Profits from Capitol Mores were slightly down from law year, reflecting the competite nature of the entomotion

The seven-months' net profit was after tax of ASS.409 (against ASS.56m), depreciation of AS4.58m (AS2.86m), an interest of AS2.60m (AS2.51m) but he for a seven manufacture. but before minorities b A\$25,000 (unchanged).

Goodyear India allays Ovenstone operations cut fears

BY P. C. MAHANTI IN CALCUTTA

GOODYEAR INDIA, which has half of 1979 and power shortcontradicted Press reports that ages throughout the second it might have to curtail its half. Indian operations because of adverse working conditions, has reported lower sales but a raised the payout appreciably.
They also report that the first-quarter earnings of the current year have been better higher pre-tax profit for 1979, from the 1978 levels.

3.8 per cent to Rs 600.23m than those of the corresponding (\$73.7m) from Rs 625.3m in ing period of 1979, and that 1978, because of disturbed the outlook for the year as a labour relations in the early whole is encouraging. The company's sales fell by 3.8 per cent to Rs 600.23m (\$73.7m) from Rs 625.3m in 1978, because of disturbed

South Korean

groups lift

pre-tax profits and higher net

income, the directors have

sales by 41% SEOUL - South Korea's cor-

SEOUL — South Korea's corporate sales rose by 41 per cent in 1979 from 1978, but net profits increased by only 12.6 per cent, the Korea Securities Exchange has reported.

The report, based on an analysis of year-end balance-sheets released by 257 of 321 listed companies, also said that annual dividends averaged 21.4 per cent last year, against the per cent last year, against the previous year's 22.1 per cent. The decline in dividend payments was attributed largely to rising oil prices and other cost

factors.

The nation's inflation rate was 18.3 per cent last year, in terms of urban area consumer

The report listed last year's aggregate of sales by the 257 companies as equivalent to \$23.2bn, with net profits at AP-DJ

Australian companies' capital record CANBERRA—Stock Exchange

listed companies in Australia raised a record A\$884m (U.S.\$961m) in new capital in the fourth quarter of 1979. up from A\$497.2m in the third quarter and A\$500.8m in the fourth quarter of 1978, the Statistics Bureau has reported.

The previous record capital raising was A\$682.2m in the

fourth quarter of 1976.
The manufacturing and mining sectors played a leading role in the strong expan-

sion in the final quarter of 1979. Manufacturing A\$330.5m, compared with A\$140.6m in the third quarter and A\$146.5m in the fourth quarter of 1978. Mining companies raised AS170.6m. up from A548.1m in the third quarter.

Advertiser raises profits

BY IAMES FORTH IN SYDNEY

ADVERTISER NEWSPAPER of Adelaide lifted net earnings by tained at 12.5 cents a share on 9 per cent, from A\$9.51m to
A\$10.39m (U.S.\$11.4m) in the
year to December, but only year to December, but only

ment programme.

The dividend has been main-

of a 10 per cent rise in turn- because of continuing difficul- of documentary credits and a over, to A\$119m (U.S.\$131m). ties in commissioning sophisti- gold. over, to A\$119m (U.S.\$131m). ties in commissioning sophistically approximately the fax provision was more than halved, from A\$5.87m to allowances on a big re-equipality also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent (20 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of 30 per cent also affected "the Advertiser" rate of

stake for Premier

By Bernard Simon in Jo

PREMIER MILLING, the Sout African food conglomerate cortrolled by Associated British Foods, of the UK, has bought a minority stake in Ovension Investments, the main interest of which are in fishing, propert

and construction. The parties have not disclose the number of shares that hav changed hands, or the price paid. According to local report, however, Premier has bough about 8m shares for som

R3.5m (\$4.3m), giving it 15 per cent holding. Barclays Merchant Bank at nounced yesterday the Premier's shares bough through the market, will be pooled with those of the Over stone family, which continue to control the company throug its 31 per cent holding Premier's carnings will not b materialy affected by the pur

Premier has appointed tw executives to the Ovenston board, but no changes in th management are anticipated. The main reason fo rihe pur

chsae appears to be Premier' cagerness to acquire a secur supply of fishmeal, which it use in many products. Premier main interests are in when maize and sugar milling, an in the manufacture of edibloils, fats and margarine.

General Bank doubles net earnings By L. Daniel in Tel Aviv

Aviv, the nearest Israel has ha so far to a merchant bank reports that its net prof. doubled in 1979 to reac

Israel£34.2m (\$858,000). Three quarters of the votin rights and about 60 per cent of the equity of the bank are hel by Baron Edmond de Rothschil through Isrdp. a company the manages all the Baron interests in Israel.

year to December, but only because of tax savings.

Pre-tax earnings actually dropped from A\$15.4m to A\$12.9m (U.S.\$14.2n) in spite cause of the fall in pre-tax profit cause of the fall in pre-tax profit cause of the fall in pre-tax profit ties. foreign currency, financin

DOLLAR ACCEPTANCES

ASEAN makes a move

BY ANTHONY ROWLEY IN HONG KONG

THE FIVE-MEMBER Associa- publicly supported the creation bank reserve assets, thus make tion of South-East Asian Nations of a regional acceptance market ing the market in such hill (ASEAN) is considering adoptant and spelled out measures he was much more attractive to banks ing bankers' acceptances prepared to consider to facili-denominated in U.S. dollars as tate it. Specific changes would the idea of acceptances bein a means of financing growing be required to enchance the made rediscountable, emphasis trade in the region. The attraction of acceptances to ing that Bank Indonesi development is widely regarded importers. as a breakthrough in ASEAN financial co-operation.

The idea is that these shortterm credit instruments-trade financing bills accepted by certain banks-would circulate freely among the ASEAN countries in a way in which local currency bankers' acceptances fail to do. because of exchange control and banking law restrictions.

traders with a cheaper means dollar acceptances, in of finance than letters of credit. short-term supplier credits and bank overdrafts, it is felt, and as a breakthrough in would offer an investment opportunity for banks and other financial institutions in co-operation. the region. However, it is not yet clear whether the accept- so that banks holding the bills in banking regulations, is no ances would be available for could realise cash if they so seen as a great stumbling block financing trade from outside required. the region as well as intra-ASEAN trade.

The Council and at the separate ately to the central bank. ASEAN Banking Conference. attended by State-owned and readiness to consider exempting as intra-ASEAN trade, the commercial bank representative U.S. dollar acceptances from ASEAN market might become tives from the region.

ing countries would assume by making the ASEAN bills rediscountable at preferential rates. The five members of the

South-East Asian Nations are considering Such bills would provide the introduction of U.S. a move widely regarded ASEAN financial

Foreign exchange regulations those in Singapore, where in covering conversion procedures official monetary authority has long-awasted break- on export earnings would have for some time been studying through in achieving progress to be changed, as some ASEAN ways of promoting a marke towards a regional market in monetary authorities require in U.S. dollar denominate those instruments came in proceeds of foreign exchange bankers acceptances, welcome Jakarta earlier this year at a transactions (in this case, U.S. the Jakarta developments. The meeting of the ASEAN Banking dollar ones) to be sold immedi- predicted that if the nes

the foreign borrowings ceilings to the New York bankers Mr. Rachmat Saleh, the to which all Indonesian foreign acceptance market what the Governor of Bank Indonesia, the exchange banks are subject. successful Asladollar market i Indonesian central bank. The bills could be treated as to the Eurodollar market.

Furthermore, he supporte nporters. Incomess intended to provide such One important factor is the facility in the formative stage buyer-of-last-resort facility, a of the market, especially wit role the central banks of import- respect to bills arising from

The reason why the Indi nesian attitude towards the neinstruments is seen as cruci: to their success is that th country's banks are main! State-owned and therefore often considered less flexible towards innovation than th mainly private-bank-dominate sectors of the other ASEAl countries-Malaysia, the Philip pines. Singapore and Thailanr Approval of the monetar authorities in those four cour tries is needed for the scheme but that, with necessary change

Foreign bankers, particuari acceptances were available to Mr. Saleh also expressed his financing outside trade, as we



Alake.

, a more



"Comfort in the 505 starts with the seats...and continues with the ride, which is simply, up to the very high Peugeot standard." Observer, November 1979



505 STI Interior

"With the 505, Peugeot have achieved their aim to produce a car that has the excellent ride, good noise suppression and comfort of a limousine, but that has the sporty appeal of cars from a marque such as BMW." What Car? November 1979

"Quite simply, the 505 is an excellent motorcar... ...good at most things, excellent at some, and poor at none." Motor, November 1979

"The 505's main appeal is that it is a particularly well balanced all-rounder, notable for its quietness and comfort."

Daily Telegraph, Daily Telegraph, November 1979

"As always in a Peugeot, the ride quality is superb". Financial Times, December 1979

"It is, above all, a well-balanced car: quiet, wellsprung and pleasant to handle." Sunday Telegraph, December 1979

"Ride and handling of the 505 was impressive. Towcar of the Year 1980, the Peugeot 505 SR."

Caravan, December 1979

"TI/STI with new Douvrin engine is the definitive 2.0 litre four-door saloon." Car Magazine, December 1979



505 GR Dashboard

wins German Golden Steering Wheel Award. This is the first time a non-German car has won this accolade, sponsored by the Springer Group, publisher of Europe's largest Sunday



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505 GR

The newly introduced 505 range includes six luxury saloons. You have the choice of 2 litre carburettor, fuel injection or 2.3 litre diesel power, all available with luxury "S" trim.

East Rand Proprietary Mines Limited

Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

The following is from the statement by the Chairman, Mr. D. T. Watt

The year under review proved to be one of the most The year under review proved to be one of the most successful years on record for your company. The sharp rise, to unprecedented levels, in the gold price received by the company, has outweighed all other factors in determining this success. The average price received for the gold produced during the year, at R8 428 per kilogram (approximately U.S.S315 per fine ounce) was 53 per cent higher than the average price of R5 504 per kilogram (approximately U.S.S205 per fine ounce) received in 1978.

The yield for the 1979 year was 5.11 grams per tun, representing a decrease of 0.4 grams per ton on the previous year. This decrease is due to the flow of ore of lower than average mine grade from some of the upper areas of the mine which were reopened during the year. The cost of production from these upper areas was lower than the mine average and therefore a profitable operation is possible at reduced ore grades. However, the quantity of ore milled during the year, at 2 101 000 tons, was 10 per

		ear ended t December
	1979	L December 197
Development and ore reserves		
Development: Total metres	13 649	11 773
Sampled metres	618	900
Total ore reserves; tons	6 832 000	2 807 000
value—grams per	ton 7.6	10.3
width—centimet	res 138.2	1 4 0.:
Operating results		
Consumilled	2 101 0 0 0	1 906 000
Golf produced—kilograms	10 742.3	10 510.
Seid-grams per ton	5.11	5.5
Financial results		
Working revenue	R90 830 000	R57 988 000
Working revenue per ton		
nilled	R43.23	R30.42
Working expenditure	R78 402 000	R65 404 000
Working expenditure per ton		
milled	R37.31	R34.31
Werking profit/(loss)	R12 428 000	(R7 416 600
Norking profit/(loss) per ton		
milled	R5.92	(R3.8)
itate assistance claimed/(over-		
claimed in respect of 1978)	(R4 000)	R12 004 000
Other income, net	R1 074 009	R350 000
axation and State's share of		
profits	R379 000	R345 000
Profit after taxation. State's		
share of profits and forfeited	_	
dividends	R13 119 000	R4 593 000
Folit appropriations:		
Mining assets, net	R5 658 000	R1 656 000
Dividends:	RS 960 000	R396 000
No. 116 of 90 cents per share	RS 564 000	000 000A
No. 115 of 10 cents per share	R396 000	
No. 114 of 10 cents per share	V-120 000	R396 000
		R55 900
Transfer to general reserve Relained surplus at	R37 000	טטני פפא
Sist December	D10 01 / 000	De 750 000
wise pecemper	R10 214 000	R6 750 000

cent higher than the previous year and this increase more than compensated for the decline in yield. Consequently, gold production increased to 10 742 kilograms which is 232 kilograms more than was produced last year.

Total working expenditure increased by 19.9 per cent to \$78,402,000 during the year. There was an across-the-board rise in all the elements of working costs, i.e. labour, materials and services. Due to the increased level of production, the increase in unit cost was limited to only \$.7 per cent from R34.31 to R37.31 per ton milled.

FINANCIAL RESULTS

R12 428 000 and represents a spectacular improvement on the working loss of R7 416 000 recorded in the previous year. Moreover, shareholders will recall that the company was experiencing such severe cash outflow problems in i hat recourse was had to the State for special cash loan fucilities over and above the assistance provided in terms of the Gold Mines Assistance Act. It should be noted that the working profit for 1979 is only marginally tower than the record of R12 444 000 achieved in 1974. The rapid recovery from the severe problems of 1977 to near record profits demonstrates how acutely the company's profits vary with the gold price. The very significant improvement in the company's financial position confirms the wisdom of the State in assisting the company through the Loon years when the gold price was much lower.

Other income increased to R1 074 000 which is R724 000 higher than in the previous year. The major factor in this increase is a non-recurring recovery from insurers of an amount of R773 000 for standing charges arising from a nich occurred underground in the F shaft area in the second quarter of the year. Excluding this insurance recovery, other income showed a decrease from the previous year due to a lower return on invested surplus funds, Encause of the very substantial improvement in revenue

and profits the company did not qualify for State assistance whereas in contrast, in the 1978 financial year it claimed and received approximately R12 million from this source. company was also required to resume the payment of Sizie's share of profits and an amount of R16 000 has herefore been provided in terms of the lease formula. No formula ix is payable. Non-mining taxation for the year under review was R363 000 leaving a profit after taxation, State's share of profits and forfeited dividends of

As members are probably aware, in 1977 the State agreed to grant the company loans totalling R4.4 million. These loans were made available to cover losses after receipt of the maximum assistance permitted in terms of the Gold Mines Assistance Act. Due to the increased gold price received, the loans have been reduced by R809 000 in terms of the loan agreement.

The State loan including capitalised interest has been recald in full since the year-end.

Appropriations for the year on dividends, R3 960 000, transfer to a general reserve, R37 000, together with expenditure on mining assets of R4 849 000 and the amount mentioned earlier in respect of the State loan, totalled R0 655 000. This left R3 464 000 to be added to the retained surplus balance of R6 750 000 brought forward from the previous year, giving a retained surplus at 31st December, 1979 of R10 214 000.

CAPITAL EXPENDITURE

 $C_{a,0}$ ital expenditure during the year amounted to R4.514.000, which although higher than in the previous year, was less than forecast. Delays in starting certain projects occurred early in 1979 while appraisal for these projects in terms of the State assistance scheme was awaited. However, satisfactory progress was achieved on the most important projects. The major portion of the capital expenditure was incurred on the sinking, deepening and equipping of certain shafts, the development and equipping of baulages, and the acquisition of underground equipment to ensure continuity of mining operations at a rate sufficient to ensure that the required milling rate is achieved in future years. Included in the capital expenditure is an amount of R1 029 000 which was spent on improvements to the hospitals, bostels and married quarters.

The future operating strategy of the mine has been reviewed in terms of what is believed to be a conservative projection of future gold prices. It is now clear that if the full potential of the mine is to be realised, a more extensive capital expenditure programme will have to be

undertaken than was formerly envisaged. It will be difficult, under present conditions, to accelerate the tempo of capital expenditure to the required degree in the short term. It is nevertheless estimated that the capital programme during 1980 will involve the expenditure of at least R18 million. This, or a slightly higher rate of capital expenditure will continue throughout 1981.

The foregoing capital expenditure estimates may appear to be unduly large by comparison with previous years and for a mine which has recently experienced severe financial problems. However, it is important to note the spectacular change in results which has been achieved due to the higher gold price. It is also important to note the comparison of the comparison of the comparison of the comparison of the comparison. due to the higher gold price. It is also imperiant to note how the ore reserves, as detailed in the report of the directors, have increased on a basis of a gold price of U.S.\$300 per fine ounce. In preparing the operating plan for 1980, an average gold price of U.S.\$373 per fine ounce for R10 000 per kilogram) has been assumed. If this price is in fact obtained or bettered for the year 1980, and if the gold price thereafter increases at a rate sufficient to offset the increase in warring costs, there are very and property. gold price thereafter increases at a rate sufficient to offset the increase in working costs, there are very good prospects of your mine remaining a profitable operation for some time. Under these conditions there is sufficient ore in situ in the mine at the required grade to support profitable operations for many years. It is therefore absolutely essential that the capital expenditure required to enable such ore to be mined should now be incurred. Furthermore, to enable the mine to cope more confidently with the spectre of rising costs, it is essential that the tempo of operations should be increased to achieve further operations should be increased to achieve further economies of scale. It is mainly for these reasons that the new capital expenditure programme has been designed. At this stage, apart from the gold price, the only unknown factor of any importance is the exact milling rate which will confer optimum operating conditions. A project team has been established to determine this parameter and as soon as they have completed their investigation, the capital expenditure programme will be finalised. I do not how-ever, expect that their investigations will have any influence on the capital expenditure projected for 1980.

INDUSTRIAL RELATIONS

The company is committed to the Barlow Rand Group Code of Employment Practice, the objectives of which are the progress and prosperity of all employees through equal opportunity in employment practices. As far as the implementation of this code is concerned, the company is bound to operate within the limits of pertinent legislation and legally enforceable industrial agreements. Notwithstanding these limitations, and the constraints imposed by business conditions, I am pleased to report that further progress was made during the year. It is also most important to note that with the improvement in future business prospects, following the increase in the gold price. one of the first areas of the mine to benefit will be the accommodation and the amenities provided for our black employees. New hostels are planned to provide accommoda-tion consistent with the most modern standards in the mining industry. When employees are transferred from the older existing rooms to the new premises, the older bostels will be renovated in order to improve living conditions. The reduction in the number of men accommodated in the older hostels will also contribute materially to hetter living conditions. It is gratifying that the improvement in the gold price has enabled us to improve the quality of life on the mines for our black employees.

The reports published in 1979 by the Wiehahn and Riekert Commissions contained recommendations which are far-reaching and, when implemented, will clearly assist in eliminating racial discrimination in industry. Certain bold legislation, including that which provides for membership of trade unions on the part of certain black workers, was enacted in the wake of these reports and is tangible proof that Government has accepted the recommendations of the two Commissions and is committed to an enlightened course of action in the immediate future.

The Wiehahn commission has not yet reported on the lining Industry and its findings this connection are awaited with considerable interest. There is however, much apprehension about future changes in employment practices in the Mining Industry as in employment practices in the Mining Industry as was shown by the abortive illegal strike of members of the Mine Workers' Union on 7th March, 1979. From developments and statements made since that time, it would appear that the attitude of the leaders of certain trade union movements still remains opposed to the ending of job reservation and the offording of equal employment opportunities to all race groups. While legislation may be progressively enacted and the framework thereby created for equal employment opportunities for all races, the implementation of the necessary changes in employment practices, in the face of opposition from certain trade union movements, is going to require great patience, tact and understanding. It is, however, clear that progress in this connection cannot be unduly protracted. Your company is committed to working for these changes in whatever manner will secure their most expeditious implementation while simultaneously avoiding any disruption of

The supply of unskilled labour was adequate throughout the year. The average turnover of this labour decreased over the year and increasing numbers of employees are returning to the mine after periods at home. The mine management is aware of the changing aspirations of its unskilled employees and is continuously striving to improve formal communications with them.

FUTURE PROSPECTS

The future of your company's mine, which is a relatively low grade and high cost operation, will continue to be dictated almost exclusively by the gold price and the rate of increase in working costs. During the early part of 1979 the gold price was influenced mainly by the weakness of the United States economy, whereas the spectacular increase in the price later in the year and early in 1980 was determined by the grave political problems which have developed, particularly in the Middle East, and which pose a threat to world peace. In my view, the gold nice will be unstable and sphiest to major ductuations. gold price will be unstable and subject to major fluctuations until the political problems are resolved and, in particular, until the potentially explosive situation in the Middle East is defused. In the interim it is most important that the feeling of euphoria, which could easily be engendered by unrealistically high gold prices, should be firmly tempered. I am apprehensive about the likelihood of exaggerated wage demands and increases in the cost of stores and materials being based on estimates of future gold prices which subsequently prove to be too high. Such demands, it granted, could be crippling, particularly for low-grade producers such as your company's mine if the gold price drops to unrealistically low levels, even temporarily, in the wake of a settlement of the world's more critical political problems. The key question is, of ourse, what can be considered a realistic gold price in politically stable climate. This question in my view. defies any reliable answer at this time. Gold has once again clearly demonstrated that it is a most acceptable, if not the most acceptable, store of wealth. This has been at not the most acceptable, store of weard. Into has been so clearly demonstrated that it is not inconceivable that at some future date gold will once again be formally reestablished in the monetary system. Insofar as 1980 is concerned it would appear that, if the average gold price actually obtained is at least equivalent to R10 000 per kilogram (or U.S.8373 per fine ounce), a dividend distribution in excess of the 100 cents per share made in 1979 should be possible after financing the projected capital expenditure from profits.

appreciation of the services rendered by the managing director, Mr. N. A. Honnet: by the general manager, Ar. J. A. Tyser, and the staff and employees at the mine; by the technical and administrative staffs at Head Office and by the secretaries in the United Kingdom.

The 34th annual general meeting of East Rand Proprietary Mines Ltd. will be held in Johannesburg on 17th April. 1950. Copies of this statement and the annual financial statements are obtainable from the office of the secretaries in the United Kingdom at 40 Holborn Viaduct. London ECIP 1AJ, or from the U.K. transfer secretaries, Charter Consolidated Ltd. P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

and Markets CURRENCIES, MONEY and GOLD

Dollar easier

The dollar lost ground in nervous trading in the foreign exchange market yesterday. It fell to DM 1.8655 from DM 1.8720 against the D-mark, to SwFr 1.7610 from SwFr 1.7710 against the Swiss franc. and to against the Swiss Hand, and to FFr 4.3460 from FFr 4.3690 in terms of the French franc. The dollar was unchanged at Y248.50 against the Japanese yen, but its trade-weighted index, as calculated by the Bank of England, fell to 88.9 from 89.1. Fluctuations in interest rates added to nervousness in the market, but there was no heavy intervention by European central banks. The D-mark moved within a narrow range of DM 1.8625-1.8700, the Swiss franc between SwFr 1.7565-1.7650, and the Japanese yen between Y248.10-

Sterling gained 50 points to finish at \$2.1975-2.1985. It traded within a range of \$2.1950 to \$2.2065 but the lowest and highest points were touched in very early trading. On Bank of very early trading. On Bank of England figures, its trade-weighted index rose to 72.3 from 72.2, after standing at 72.4 at noon, and 72.6 in the morning. D-MARK — Steady within European Monetary System, but weaker against dollar following expectations of continuing balance of navnests deficit in balance of payments deficit in Germany, and the effects of anti-inflation measures and higher interest rates in the U.S.

—The D-mark showed mixed changes against its EMS partners, falling against the Irish punt, Dutch guilder, Belgian franc, and French franc at the Frankfurt fixing, but improving against the Danish krone and holding steady against the Italian Itra. The dollar was fixed at DM 1.8667 compared with DM 1.8760, withany intervention by the

Bundesbank. Sterling fell to DM 4.1010 from DM 4.1160. DUTCH GUILDER—Very strong recently, near top of EMS—The guilder was also mixed against EMS currencies, but improved EMS currencies, but improved against the dollar, sterling and Swiss franc at the Amsterdam fixing. The D-mark fell to Fi 1.09625 from Fl 1.0972, and the Italian lira declined to Fl 23.52 from Fl 23.53. The French franc rose to Fl 47.02 from Fl 46.98, and the Blegian franc to Fl 6.7830 from Fl 8.7660. The dollar eased to Fl 20460 The dollar eased to Fl 2.0460 from Fl 2.0530 at the fixing, and sterling to Fl 4.4990 from Fl 4.5050.

FI 4.2930 From FI 4.2930 From FI 4.5050.

DANISH KRONE—Remaining weak despite two devaluations since EMS began 12 months ago—The krone improved against the dollar and sterling, but declined against members of the EMS. The dollar fell to DKr 5.8360 from DKr 5.8610 at the Copenbagen fixing, and the pound to DKr 1.248.70 from DKr 1.255.40. The Irish punt rose to DKr 1,158 from DKr 1.157.50, the D-mark to DKr 3.1261 from DKr 3.1248, the French franc to DKr 1.3420 from DKr 1.3385, and the Dutch guilder to DKr 2.8530 from DKr 2.8470. The Italian lira also improved slightly, while outside the EMS the Swiss outside the EMS the Swiss franc was firm, but the Japanese yen lost ground.

BELGIAN FRANC — Weakest of the EMS, requiring heavy support recently, but still resisting devaluation—The Belgian franc improved against other major currencies following the rise in the central bank discount rate.
The dollar fell to BFr 30.175 from BFr 30.35, and sterling to BFr 66.29 from BFr 66.58. Within the EMS the D-mark declined to BFr 16.1675 from BFr 16.2095, and the French franc to BFr 6.93325 from BFr 6.9480.

THE POUND SPOT AND FORWARD

March 20 Spread Close Che month 7.8 Minute 1.05		B		<u> </u>	7.	i iii o=	p.
U.S. 2.1950-2.2065 2.1975-2.1985 0.05c pm-0.05 dis constant of the constant of	March 20	Day's spread	Clase				
42 90 60 90	Cenada Nethind Belgium Denmark Iraland W. Ger Portugal Spain Italy Norway France Sweden Japan Austria	2.5850-2.5950 4.48-4.52 4.68.60 12.79-12.84 1.1040-1.1150 4.03-4.13 109.60-110.60 152.30-153.16 1.910-1,920 11.11-11.16-1 9.54-2-8.61-1 9.50-9.65 542-550 23.32-23.52	2.5900-2.5910 4.691-4.501- 66.15-66.25 12.81-12.82 1.1045-1.1055 4.091-4.101- 109.75-110.00 152.35-152.46 1.910-1.911 9.55-9.56 9.601-9.611 9.55-9.56 9.601-9.611	0.95-0.85c pm 31-21c pm par-10c dis 31c-47core dis 0.10-0.05p pm 31c-22pi pm par-30c dis 50-105c dis 1-21; irro dis 1-21; irro dis 1-23-1core pm 4-3c pm 2-3-3core pm 2-10-1.65y pm 2-3-15gro pm	8.00 -0.91 -3.80 0.81 9.51 -1.64 -6.10 -0.94 4.31 4.39 4.68 4.12 7.96	2.15-2.05 pm 31.73 dia 91-117 dis 91-117 dis 91-117 dis 91-117 pm 91-28 dis 190-270 dis 77-34 dis 102-9 pm 104-9 pm 114-104 pm 5.15-4.65 pm 63-63 pm 11-70 pm	3. -0. -3. -1. -5. -1. 3. 3. 7.5

Belgian rate is for convertible francs. Financial franc 63.87-68.30. Six-month forward dollar 0.37.0.47c dis. 12-month par-0 15c dis. Closing rate on March 19 for D-Mark should have been 4.10-4-4.11'4.

THE DOLLAR SPOT AND FORWARD

March 20	Day's spread	Close	One month	p.a.	Three months	р.
UKt	2.1950-2.2065	2.1975-2.1985	0.05c pm-0.05 dis		0.25-0.35dis	-0.5
Irelandt	1.9830-1.9915	1.9895-7.9915	0.25-0.15c pm	1.20	0.20-0.10 pm	0.3
Canada	1.1769-1.1780	1.1777-1.1780	0.35-0.30c pm	3.31	1,10-1.00 pm	3.5
Nethind.	2.0427-2.0495	2.0440-2.0450	1,47-1,40c pm	8.42	4.15-4.05 pm	8.0
Belgium	30.11-30.195	30.11-30.13	7-70 die	-1.79	1-6 dis	-0.4
Denmark	5.8200-5.8330	5.8300-5.8315	1.80-2.30ore dis	-4.23	4,20-4.70dis	-3.9
W. Ger.	1.8625-1.8700	1.8650-1.8580	1.60-1.50pf pm	9.97	4.45-4 35 pm	9.4
Portugal	49.95-50.10	49.97-50.07	2-12c dis	- 1.68	5 pm-35 dis	-1.3
Spain	68.32-69.53	69.32-69.37	25.55c die	-7.79	20-115 419	-5.9
Italy	869,00-871.65	869.00-869.40	· 0.5-1.0 lire dis	-1.03	2,50-3,254:3	-1.3
Norway	5.0690-5.0650	5.0590-5.0600	2.10-1.60ars pm	4.38	5,45-4.95 pm	4.1
France	4.3450-4.3558	4.3450-4.3475	1.60-1.45c om	4.21	4,75-4.50 pm	4.2
Sweden	4.3712-4.3775	4.3715-4.3730	1.90-1.70ors pm	4.94	5.90-5.70 pm	5.3
Jecsu Sweceu	24B.10-248.60	248.45-248.55	0.90-0.75y pm	3.98	2.55-2.40 pm	3,5
Austria	13.344-13.374	13.351-13.361	9.40-8.40gro pm	8 00	30.00-27.50pm	n 8.6
Swizz.	1.7565-1.7650	1.7605-1.7615	2.25-2.15c pm	14.99	5.40-5.30 pm	12.1
t uK	and Ireland a	re avoted in L		rward	ជាច្រជាប្រហទ ១៣	•

CURRENCY MOVEMENTS			CURI	REN	CY RA	TES
Mar. 20	Bank of England Index	Morgan Guaranty Change 3	Mar. 19	Bank rate		European Currency Unit
Sterling U.S. dollar Canadian dollar Austrian schilling Belgian franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lira Yen Based on trade we Washington agrees (Bank of England	81.4 153.6 105.8 153.6 191.7 125.1 99.9 53.5 116.5	mber, 1971	Sterling U.S. 5 Canadian 5 Austria Sch Beiglan F. Danish K. D'Mark Guilder French Fr Lira. Yen Norwyn Kr. Spanish Fls. Swedish Kr. Swiss Fr	13 14 51 12 13 7 91 91 15 95 10	1,26833 1,49257 17,0375 38,4938 7,42924 2,37939 2,60388 5,53880 1108,30 315,814	0.611871 1.57847 17.9452 40.7040 2.75366 2.75366 5.85783 1171.03 333.810 6.79116 93.4675 5.88133 Unsvail

OTHER CURRENCIES

Mar. 20	£	ş	-	€ Note Rates
Argentina Peso	3793-3813	1728-1735	Austria	29,20-29,45
Australia Dollar	2.0185-2.0285	0.9190-0.9195	Belgium	68,45 68,95
Brazil Cruzeiro	102.12-103.12	46.60-46.80	Denmark.	12.77-12.84
Finland Markka	8.55-8.57	3,8890-3,8910		9.50-9.56
Greek Drachma.	87.952-90.033			4,10-4,13
Hong Kong Dollar		5.0410-5.0460	Italy	1860-1965
Iran Rial			Japan	546.551
Kuwait Dinar(KD)			Netherlands	4.50.4.521:
Luxembourg Frc.		30,11.30,13	Norway	11.09-11.16
Malaysia Dollar		2.2300 2.2320	Portugal	1061g-110
New Zealand Dir.	2.3000-2.3140	1.0510.1.0520	Spain.	148 - 156
Saudi Arab, Riyal		5.3390.3.3420	Sweden	9.61.9.66
Singapore Dollar.		2.2200-2.2220	Switzerland	3.8613.881.
Sth. African Rand	1.7770 1.7780	0.8085-0.8090		2,1955-2,203
U A.E. Dirham		8.7350-3,7380		49-51

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	amounts against ECU March 20	from central rate	% change adjusted for divergence	Divergence limit %
Beigien Franc	39.7897	40.5910	+2.01	+1.21	±1.53
Danish Krone	7.72336	7.84473	+1.57	+0.77	<u>-</u> 1.54
German D-Mark	2,48208	2.51165	+1.20	+0.40	±1.125
French Franc .	5.84700	5.85829	+0.19	-0.61	±1.3557
Dutch Guilder	2.74362	2.75205	+0.31	-0.49	±1.512
Insh Punt	0.668201	0.677835	+1.44	+0.64	±1.668
Italian Lira	1157.79	1170.71	+1.12	+0.83	<u>-</u> 4.08
Changes	are for E	CU. therefore	positive (change denotes	a

weak currency. Adjustment calculated by Financial Times.

EURO-CURRENCY INTEREST RATES

The lollowing nominal rajes were quoted for London dollar certificates of deposit: cos-month 17.40-17.50 per cent; three-months 18.25-18.35 per cent; six months 17.10-17.20 per cent; one year 16.75-16.85 per cent.

Mar. 20	Sterling	 U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
†Short term	175g-1712 1714-175g 1814-185q 1814-185q 1812-185q 175-1712	1512-1534 16-1514 1734-18 1859-1878 18 2-1814 1718-1738	7-8 7-8 131 ₂ -137 ₈ 147 ₈ -154 151 ₄ -155 ₈ 143 ₄ -151 ₈	51, 5% 654-7 91, 958 10,4-10,4 11,6-11,6 12-121,	75.118 118.136 312.358 518.678 618.618 678.618	712-758 713-713 814-828 918-974 958-954 978-916	124-1212 123-13 133-1352 14-3-14-4 1412-1434 1478-1512	12-14 154-165 184-194 194-20 20-21 21-22	1534-16 17;2-17;3 181 ₂ 185 ₉ 181 ₂ 185 ₈ 171 ₄ 173 ₈	10%-11 12%-12% 13%-13% 14%-14% 14-2-14% 13-134

Long-term Eurodoller two years 15%-16% per cent: three years 15%-15% per cent; four years 15%-15% per cent; five years 14%-15% per cent; nominal closing rates. rt-term rates are call for sterling, U.S. dollers. Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EXCHANGE CROSS RATES

Mar. 20	PoundSterling	U.S. Dollar	Dautschem*	k Japan'ssYen	FrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	Canada Dollar	Beigian Franc
Pound Sterling	1.	2.198	4.103	546.0	9.555	3 873	4,498	1911.	2,591	66,20
U.S. Dollar	0.455	1.	1.866	248.4	4,347	1.762	2,046	869,2	1,179	30.12
Deutschemark	0.244	0,536	1.	133.1	2,329	0,944	1,096	465,7	0.631	16.15
Japanese Yen 1,000	1.832	4,026	7,514	1000.	17,50	. 7.092	8,237	3499	4.745	121.2
French Franc 10	1,047	2.300	4.294	571,4	10.	4.053	4.707	1999.	2,711	69,28
Swiss Franc	0,258	0.568	1.059	141,0	2,467	1.	1.161	493.4	0,669	17,09
Dutch Guilder	0,222	0.489	0,912	121.4	2,125	0.861	1.	424.1	0.576	14.72
Italian Lira, 1,000		1.150	2,147	285,8	5.001	2,027	2,354	1000.	1,355	34,65
Ganadian Dollar	0.386	0,848	1.584	210,8	5.688	1.495	1,736	737.5	1,	25.55
Belgian Franc 100	1,511	3,320	6.197	824,8	14.43	5.850	6.794	2886.	. 3,913	100.

INTERNATIONAL MONEY MARKET

European rates firm

Interest rates in Europe continued to rise yesterday with the Austrian's increasing their bank rate to 6) per cent from 5; per cent and the Bank of France buying first category paper at 13 per cent against 121 per cent

The Austrian bank rate was last increased on January 23, when it rose to 51 per cent from 31 per cent. Yesterday's rise was seen as another step in the recent interest rate war, which has left major countries with little choice but to keep in line with the general upward trend. The authorities also increased the Lombard rate from 51 per cent to 71 per cent and announced further rises in savings accounts, the latter with

today, with a maturity date between March 26 and March 20. In the money market call money remained in good supply, being quoted unchanged from Wednesday at 12½ per cent, its lowest level for a month. Period rates were generally unchanged, although the three-month rate eased slightly to 14-14! per cent from 14'-14! per cent.

MONEY RATES

 Prime Rate
 181-19

 Fed. Funds
 161-161

 Treasury Bills
 (13-week)
 14.80

 Treasury Bills
 (26-week)
 14.75

Discount Rate 9
Cell (Unconditional) 12
Bills Discount (three-menth) 13.8125

NEW YORK

GERMANY

In conclusion, I have pleasure in recording the directors'

yesterday the franc was posi-tioned comfortably within its maximum permitted divergence.

yesterday following Wednesday's

yesterday following wednesday's increase in the bank rate to a record 14 per cent. Period rates on Wednesday had ranged between 19 per cent and 20 per cent in the one to six-month

range, but yesterday one-month deposits were quoted at 171-173

per cent, three-month at 171-18

per cent, and six-month also at

174-18 per cent.
Wednesday's rise in the bank

rate has disappeared to have

achieved its primary function, that of relieving pressure on the

Belgian franc within the European Monetary System, and

shortage

Lending rate 17 per cent (since November 15, 1979) Day to day credit was in short supply in the London money market yesterday, and the authorities gave an exceptionally large amount of help. This com-

savings accounts, the latter with effect from April 1.

In Paris the Bank of France hought FFr 4.5bn of first category paper at 13 per cent compared with 12? per cent at the last purchase on February 20. The paper is valid as from today with a maturity date

Bank of England Minimum In Frankfurt call money was quoted at \$50-8.55 per cent against \$.45-8.50 per cent on Wednesday, with longer term rates showing a slightly firmer tendency where changed.

In Brussels deposit rates for the Relgian franc were easier authorities again. This comprised moderate purchases of Treasury bills from banks and discount houses and a small number of corporation bills, also both ways. The authorities also bought a moderate amount of

Gold rose \$33 to \$550-556, after

touching \$561 at the London morning and afternoon fixings. The metal also opened at \$550-556, following the rise in New York and Far East markets. Gold reacted to the heavy selling earlier this week and suggestions that South Africa may have (\$555.6 withheld gold shipments to with Europe.

In Paris the 121-kilo gold bar was fixed at FFr 78,500 per kilo (\$561.06 per ounce) in the afternoon, compared with FFr 78,500 (\$559.51) in the morning, and FFr 73,500 morning and FFr 73,500 (\$524.33) Wednesday afternoon. In Frankfurt the 121-kilo bar was fixed at DM 33.460 per kilo (\$555.62 per ounce), compared with DM 31,600 (\$524.04) (\$524.04)

	Mai. 20	: Ma	Ir. 19
	Gold Buillon (fine o		
Close	(£250-253)	\$517-52 5	(2236-239)
Opening	(£249) ₂ .252) (£254,768)	9505-511 ···	(£230-233)
Afternoon fixing \$561	(£254,942)	8527	(£234,275) (£239,873)
	Gold Coins		•
Krugerrand\$563.868	(£256-259)	\$535-54 0	(£244-247)
Mapleleaf	(£256_259) (£6234_6434)	\$530-540 \$133-136	(£241-847)
Kina Sove	(£70-72)	5150-153	(£601 ₂ .621 ₄) (£68-70)
Victoria Sovs	(£70-72)	\$151-154	(289-71)
French 20s		\$1351g-1381g \$620-530	
100 Cor. Austria, 8540-550		5508-515	· .
520 Eagles		\$670-680	
\$10 Eagles		1 2	
			<u>· </u>

previously.

eligible bank bills. Some of the corporation's bills and all the bank bills are for resale to the market, each at a fixed date. The help was made up with large loans to four or five houses at MLR for repayment today.

There were no appreciable factors in the market's favour, but on the other side, banks brought forward balances a small way below target, and there was a small net take up of Treasury bills to finance. Also revenue transfers to the Exchequer exceeded Government disbursaments by a large amount. Dis-

count houses were paying up to 17 per cent for secured call loans during the day, but late balances were taken as low as 13 per cent in places. In the interbank market, over-

night loans opened at 17-174 per cent and rose on the forecast to 171-18 per cent before easing to 171-171 per cent around lunch-time. During the afternoon rates fell as low as 15-151 per cent but late demand pushed up the cost of late balances to 1818; per cent.

Kates in the table below are nominal in some cases.

THE REPORT OF THE PARTY OF THE

LONDON MONEY RATES

				· · · _ ·	_		٠.			-
Mar. 20 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	House	Company Deposits	Discount market deposits	(Theresis)	Eligible Bank Bills 4	Fine. Trade Bills 6
Overnight	1718-1728 1778-1738 1778-1738 1778-1714 1678-1638 1558-1648	175-1712 175-1712 174-1773 175-1773 171-1753 1712-1758 1672-1776 1634-1678	16-181 ₈ 181 ₈ -181 ₄ 181 ₈ -182 ₄ 181 ₆ -182 ₆ 173 ₄ -181 ₆ 167 ₈ -172 ₆	i · ;	1814 1859	171 ₂ 171 ₄ -18 18-181 ₄ 181 ₅ -181 ₈ 181 ₈	165	15;;	1779-18 1776-1734 1756-1759 1656-1	-

Local authorities and finance houses seven days' notice; others seven days fixed. "Long-term local authority mortgage rate nominelly three years 16-16° per cent: four years 16-16° per cent: five years 15'-16' per cent. 68snk bill retas in 17' per cent: four-month bank bills 17'-17' per cent: four-month trade bills 17'-17' per cent: four-month trade bills Approximate selling rates for one-month Treasury bills 150'-15' per cent; two-months 16'-18'-16' per cent: three-months 16'-18'-16' per cent: three-months 17'-18' per cent: three-months 17'-18' per cent: three-months 17'-17'-18' per cent: two-months 17'-17'-19' per cent: two-months 17'-19' per cent: two-month months 171, per cent.

Finance Houses Bess Rates (published by the Finance Houses Association) 18 per tent from March 1, 1978, Cle Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank States for lending 17 per cent. The Bills: Average tender rates of discount 16,1132 per cent.



FINANCIAL TIMES SURVEY

Friday March 21 1980

In spite of disruptions in the haulage industry caused by industrial disputes, both internal and external, 1979 proved to be a good year for the trailer makers. The industry agrees, however, that sales in 1980 will show a fall. The question is by how much

	CONT	ents	
Introduction	П	Profiles:	
Trailer design		Crane Fruehauf	IV
Rationalisation	<u>_</u>	Craven Tasker	IV
Exports		Trailor	ΙV
Leasing	m	York Trailer	IV
FFC reculations	TIT		

The inside story



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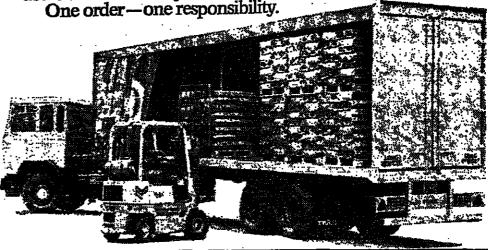
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Telephone: Northallerton (0609) 3155. Telex: 58600. York Trailer Company Limited, Northallerton, North Yorkshire, England.

Sales rise buoyantly in a tricky year

year the engineering dispute

The haulage industry continued to buy trailers, however. Part of the reason must have 1979, been that the transport companies needed to catch up with their trailer purchases after two

lean years. The buoyancy in the trailer market was mirrored by truck sales in 1979. The truck makers had begun the year expecting a decline in registrations. Instead, sales of trucks over 3.5 tons rose 13.4 per cent on the 1978 level to 79,856, according to the Society of Motor Manufac-

turers' and Traders' statistics. High demand for trucks is not necessarily reflected in the trailer market. In 1978 trailer sales faded badly from the summer onwards but heavy truck registrations continued inexorably upward.

There is evidence that trailer sales owe much more to activity in the movement of goods than to the increase in truck registrations. Gone are the days when a haulier would order a compaintwork. Trailers outlive severely trucks so it is now common to In the

sales do not match the highest mates that operators there have peaks in the truck business is been losing about £300,000 a that there are plenty of im- week during the dispute. "And porters willing to fill the gap porters willing to fill the gap they do not have any fat on if demand becomes too great for their backs after the drivers' the UK truck manufacturers strike last year," commented to meet—something which hap an RHA spokesman. pened both in 1978 and last In all the circum

That is not the case with that the trailer manufacturers years trailers. The present differences experienced a downturn in point That is not the case with between the various national regulations for trailers in the European Community countries into January.

preserve the division of the EEC The industry's forecasters are

They had to find the extra inalso affected some trailer plants terest charges at a time of gal-although the trouble was patchy. loping inflation. The Road Haulage Association's cost index showed a 22.5 per cent rise in

> following increases: labour costs, up 9 per cent; DERV, up 7 per cent; tyres, up 0.8 per cent; repairs and maintainance, up 1 per cent; vehicle replacement, up 2 per cent, and various insurance, finance and so on, up 2.7 per cent.

The message from the RHA simple: You must increase your trailers. charges to cover the increased

In the words of one trailer executive: "Too many companies today do not have the financial liquidity to pay for what they want."

The salt in the hauliers' wounds has been the steel strike. plete new rig, both tractor and Much steel is distributed by trailer, for delivery at the same road and haulage companies in time, both finished in matching the affected areas have suffered

In the South Yorkshire area, hitch a not-so-new trailer to a for example, 4,000 drivers have brand new tractor unit. Another reason that trailer steel dispute and the RHA esti-

orders in November and December last year which continued

all agree that sales will drop. Some executives in the trailer But their estimates range from

Reliability On Roads

The Trailer Components for the Eighties

Rackery Lane, Llay, Nr. Wrexham, Clwyd LL12 OPB. Telephone: 097-883 2141. Telex: 61427.

Rubery Owen-

Rockwell Ltd.

AGAINST ALL the odds, 1979 industry, among them Mr. was a good year for the UK Henry Booker, managing director of opinion is that about 17,500 that though the industrial distortial that though the industry in 1978.

This was in spite of the haulage dispute at the beginning of the year and the big pay rise for drivers that the haulage industry had to absorb after it.

So many of Britain's hauliers of the year could be down the market intimately, estimates that trailer maker sales this year could be down from 17,500 to between 12,000 and 13,000. The prospects, own small companies operating with a small capital base and the big pay rise for drivers that the haulage industry had to absorb after it.

This was in spite of the industry in 1979 was the impact of very high interest rates.

So many of Britain's hauliers of the year could be down from 17,500 to between 12,000 and 13,000. The prospects, own small companies operating with a small capital base and the big pay rise industry, among them Mr.

20 per cent slip to a steep, the industry about 60 per cent of the UK's biggest trailer maker should know the market intimately, estimates that trailer sales this year could be down only 15 to 16 per cent, used only from 17,500 to between 12,000 and 13,000. The prospects, own small companies operating with a small capital base and the big pay rise of the year and the big pay rise for the industry in mately, estimates that trailer maker intimately were of the flat platform type.

So many of Britain's hauliers of the UK's biggest trailer maker intimately were of the flat platform type.

So many of Britain's hauliers of the trailers on Britain's roads that trailer maker intimately were of the flat platform type.

So many of Britain's hauliers of the trailers on Britain's roads about 60 per cent of the UK's biggest trailer maker intimately were of the flat platform type.

So ma

The major companies, of more subtle course, methods than outright pricecutting. They offer more competitive financing deals (lower-1979. than-average interest rates must be an attraction) and cember 31 the RHA's price movement survey recorded the following increases: laborated the leasing facilities might well costs. enjoy something of a leasing boom as the cash gets squeezed

out of customer companies. But in spite of all their finanment, up 2 per cent, and various cial muscle, the major manu-other costs including facilities, facturers simply have to face insurance, finance and so on, the fact that there just is not enough technology in a trailer to encourage customers to pay to its haulier members was higher prices for better

On the brighter side, though, when deliveries of new trailers go down, the service and spare parts business owned by the trailer makers often do well. In any case, trailer manufacturing seems on the face of it to be a pretty marginal business. Service and spare parts is where the money is

There were some green-withenvy faces in the industry in January this year when the Dana Corporation bought the Intertruck companies for over £3m. Intertruck has never made trailers-just parts. And its main strength was distribu-tion to the aftermarket. Although the trailer industry

is one where high technology does not feature, new products have been developed over recent years. The use of glass-fibre reinforced plastic (GRP) In all the circumstances, it in trailer manufacture has inis not particularly surprising creased over the past few that the trailer manufacturers years and provides a case in

GRP provides large, smooth, easily-cleaned panels which customer industries such as the "market" into a number of not very consistent in their food distribution business. The national markets. There is relaviews about what 1980 as a tively little cross-frontier trade whole holds in store. They easily and give a semieasily and give a semi-insulating effect.

Another change over recent dustry's stock of trailers. This

roughly 12 to 15 per cent curtain-sided trailers and 5 to 6 per

cent TIR trailers.
One question which the trailer industry must often ask of itself is whether it is a good idea to have some suppliers with a semi-monopoly.

Storage problems

The classic case is Rubery Owen-Rockwell which dominates the supply of trailer axles. That the company offers good products is not in doubt. But another factor in Rubery Owen-Rockwell's favour is that hauliers do not want the added cost and storage problems associated with stocking stores for axles from two manufac-

In times of booming business this too often makes the trailer business manufacturer the ham in the sandwich-between a Rubery Owen-Rockwell axles on his trailer (and, just as likely. Michelin tyres) and suppliers who have difficulty meeting demand.

The trailer industry itself has extreme variations in demand. In 1973 the industry received orders for 28,000 trailers and made about 20,000; in 1974 about 13,000 were ordered and 10,000 delivered; in 1975 about 7.800 were made and sold; in 1976 the total was 9,500 made and sold; in 1977 about 13,500; up to 15,000 in 1978 and 17,500

last year. Mr. Jeff Harrison, managing director of Trailer's UK company, reckons that the underlying rate of demand in Britain is for 16,500 trailers a year and that this is where sales will remain until something comes along to boost or depress them.

In the past demand has been given a helping hand on several occasions by legislation. First the increase in allowable trailer length from 26 ft to 33 ft out-

EUROPEAN TRAILER MARKET 1979* Total number of trailers produced: 58.755 produced: 55,155 Percentage of market per manufacturer: Fruehauf Group 20.1 9.3

Trailor 1.8 Kaiser Kassehohre 2.1 Kogel 2.7 Blunhardt 1.3 Daf 1.2 Van-Hooi Lecineua (Italy) Schwarz-Muller 1.1 York Craven Taskers 5.0 Pacton

Mol Miscellaneous Total number of trailers manufactured per country:

Lag

0.9

Germany 14.500 Holland 3.600 Spain Austria Belgium Luxembourg No figures available for Italy

was followed by an increase from 33 ft to 40 ft and the process was repeated.

Trailor estimates.

Similarly, the increase in allowable gross vehicle weight from 24 tons to 32 tons pushed up trailer demand. But a further move seems some way

The Government, ever wary of the political problems which might be associated with giving the go-ahead for heavier truck weights, has set up yet another inquiry. This time Sir Arthur Armitage, Vice-chancellor and Professor of Common Law at Manchester University, heads an inquiry "to consider the causes and consequences of the growth in the movement of freight by road and, in particular, of the impact of the lorry on people and their enivronment; and to report on how best to ensure that future developments serve the public interest."

The inquiry team is not due to report before this autumn and there is no guarantee that the Government will act immediately on its findings. But the inquiry should pave the way, at long last, to the UK playing a leading role in getting the Common Market harmonisation process out of the mud and on

Kenneth Gooding

Industry changes to match market

small, privately-controlled com-panies. So the near-disap-pearance during the past few months of one of Britain's few months of one of Britain's few system in the UK should proremaining quoted trailer companies deserves more than a passing mention, particularly as the company concerned, R. A. Dyson and Company, was founded as long ago as 1840.

Dyson has been designing and constructing trailers to carry loads ranging from five cwts to 150 tons for many years. It went public on the Liverpool Stock Exchange in 1952—the company's headquarters is in Liverpool.

The heavier types of Dyson trailer have been used in most parts of the world, carrying transformers, mining equip-ment, locomotives and so on Dyson's regular customers have included the leading oil com-panies, ICI, the BBC, and United Africa Company.

A large part of the com-pany's output has been exported for many years and it was this heavy reliance on overseas markets which brought about a financial collapse almost a case of "export and

l die." The virtual closure of many traditional British export markets over the past year or so, including West Africa in particular, Nigeria, Iran, Turkey, and Iraq hit Dyson hard because they came so close teacher. The company had together. The company had little time to build up com-pensating business in its home market. It was pushed over the edge

by the engineering dispute which also adversely affected cash flow last autumn and left activities as complementing its the company looking for a worldwide vehicle product lines financial rescue operation after and marketing structure and it its bankers refused an increase is paying \$3.284m for Intertruck in credit.

The Dyson Board talked to several potential purchasers h it was the Ryland Vehicle April, 1979. Group which finally showed Of course, enough interest to make North Americans on to nominal offers which the Dyson and European trailer in directors quickly recommended. is already considerable. Ryland is a private company

will provide a natural extension that its extensive distribution system in the UK should provide the basis for an improvement in Dyson's sales and therefore compensate for the loss of export orders which was the principal cause of Dyson's poor trading performance over the past 20 months.

Another deal which has slightly changed the face of the industry this past few monthsand might also have major implications for the future highlights the fact that while there is not much money to be made from manufacturing trailers, supplying service and spare parts can be lucrative.

The deal in question involved the Intertruck group which makes some trailer parts for the original equipment market -but no complete trailersand distributes a wide range of truck and trailer parts to the

Determined efforts

with York Trailer's results for 1977 (chosen because it was a reasonably good year) when transport equipment (Trail-that group made a pre-tax mobile) engineering and con-52.74m on a 536m turnover. struction group, also has a

Intertruck has been bought by the Dana Corporation, one of the largest suppliers of automotive components in the U.S. and a group which has been making determined efforts to build up its activities in Europe.

Dana sees the Intertruck in cash and shares. That is quite a premium on Intertruck's net assets, worth £2.35m in

Of course, the influence of the North Americans on the UK and European trailer industries

TRAILER COMPANTES with a in the business of distributing stock market quotation of their and hiring vehicles, road transof the European market and port, storage, plant hire and nearly half of UK trailer sales. Most are owned by larger public works contracting, organisations within the engineering industry or are will provide a natural extension to the European market and nearly half of UK trailer sales. Fruehauf history in Europe is typical of many U.S. capital equipment will provide a natural extension. equipment manufacturing groups. It started by allowing European companies to use its technology by way of licensing deals and followed through by cementing the arrangement with a shareholding in most

It has recently started to bring its European affiliates closer together and is treating Europe as a single market in much the same way as it is able to treat the various States in the

The aim is to integrate design manufacturing, parts-buying and marketing into one co-ordinated

As harmonisation of require ments among the EEC countries gradually takes effect. there should be more and more opportunities for joint buying of components and for standardisation of the trailers built in various parts of the Common Market.

But to control such a policy dequately, Fruehauf needed to tighten its grip on its European associates. It took over-after, a fight—Crane Fruehauf in the UK, then Netam in Holland In the year to the end of UK, then Netam in Holland. April 1979 Intertruck made a taxable profit of £390,000 on sales of £8.21m. Compare that and of Ackermann-Fruehauf of West Germany.

Pullman Corporation, the U.S. struction group, also has a major share of the total Euro-pean trailer market, but at around 9.3 per cent it is well behind Fruehauf. Pullman operates through Trailor in France where it has what it claims is Europe's biggest single trailer factory with an output of 1.000 a month, a level not achieved by any of the individual Fruehauf businesses

The background to Trailor operations in the UK is outlined elsewhere in this survey. However, the UK expansion show that Trailor, like Frueha Trailor, like Frueha might well set up manufacture as well as marketing and service operations in the larger individual European markets.

Kenneth Gooding

New designs aid flexibility

DRIVE ALONG any motorway these days and the principal change in the trailer industry during the past few years in The platform trailer with its lumpy load hidden under a lashed but sometimes flapping tarpaulin is in-creasingly a rarity. In its place is the glass-reinforced plastic or aluminium van trailer. Whether full van trailers, cur-

tain-siders or side-loaders with sliding doors, they provide better security for loads and from pilferers, maximise volumes that can be carried of goods where bulk is a more important consideration than weight, and can be loaded easily and quickly, thus drastically reducing turnround—a fac-tor of major importance now in restrictions on working hours.
While environmentalists might raise querulous eyebrows, such trailers also provide hard-toignore mobile advertising billboards. And, particularly when involved in the carriage of foodstuffs, they are remarkably easy to maintain and keep clean. The various forms of chassis-

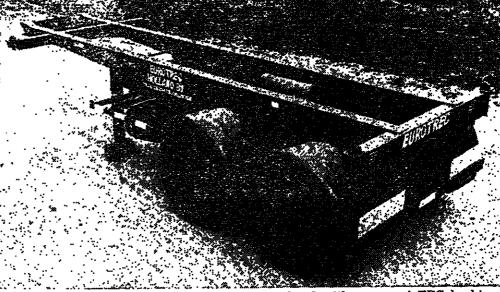
The various forms of chassisless van-type trailers now
account for nearly a half of
total UK trailer sales and a
similar pattern is showing up
in mainland Europe.

Trailer-making does not
really offer scope for high
technology in the same senseas for the motor industry in its

as for the motor industry in its search for greater fuel effici-ency. But new materials and new construction methods entailing greater flexibility in meeting customers' specific needs—refrigerated vans, or "reefers," are a case in point
—are producing a greater
sophistication in the industry.
At the same time there is a continuing search for aerodynamic and weight-saving improvements to complement tractor makers' own fuel-saving activities, while with European harmonisation regulations just below, if not yet on, the horizon, there is an increasing concentration on ways of concentration on ways

making trailers safer. There is a continuing debate over materials: some industry quarters feel that the light quarters reel that the light weight of aliminium in the end will lead to it predominating in the superstructures of trailers despite GRP's extra toughness, particularly now that the relative costs of the two materials have moved closer

What is now clear, however, is that the hoped for weightsaving bonus provided by remains that where operators aluminium chassis and base are not actually obliged to fit frames has not worked out, such equipment, the chances "Two years ago there was a are that they won't. It is an fair amount of optimism over area where the trailor majors



One of two trailers built by Craven Tasker fitted with approved EEC braking systems. The trailers were designed to conform with Dutch and Belgian requirements

the aluminium chassis," says fatigue problems, and if they get damaged, they have got to have specialist repairs and the we've got to bear in mind that the these things inevitably get neglected. "Thus for most makers, except in more specialisted applications such as tippers, the steel base frame

Costs have become increasingly critical to hauliers, to the extent that some are reluctant to spend in other areas such as safety where, apart from the potential saving of life and prevention of injuries, there exists the potential to improve the industry's public image.

Spray problem

Spray, a notorious problem with heavy lorries at higher speeds, provides one example. Graham Thompson, Crane Frauehauf's design director, says that systems exist to reduce spray, though not eliminate it, but it's very difficult to sell a spray system for £330-£400 per trailer to an operator facing a costs squeeze." Scammell also produces a rear under-run bumper, called the "Cushion Stop," which pivots on hydraulic upits and springs. While reducing the severity of an accident, it also greatly diminishes the prospect of repair downtime.

Again, though, the problem

are in consensus that such items fairly widespread on the Conshould be fitted, and that legistinent. This threatens to lation should take the mout of create carrying capacity prob-Keith Buckby, York's chief should be fitted, and that legis-designer. "But there are lation should take the mout of the "optional extra' category. In the view of Craven Tasker, the UK's third largest maker, the fastest growing trailer category of all is the curtain-sider. Side-loading allows particular versatility, while the trailers' thin but extremely strong curtains, reinforced by their securing straps, maximises the volume that can be carried. The straps, and rollers at each end to toughen the curtains lengthways, allow high bulk, low weight goods can be carried in considerable security. The next likely step is for a single action bottom securing device, to save drivers even the time

> Boalloy, now part of Craven Tasker, won a Design Council award four years ago for its curtain-sider, the Tautliner. And this year Craven picked up another with its "Taskold" reefer, a total of 1,200 of which have been ordered or are in use by the Danish Bacon Company. by the Danish Bacon Company.
>
> The sliding side door trailer has shown itself to be particularly useful in urban operations.

involved in doing up individual

for the carriage of items such as dairy products and white goods and with the introduction of built-in double decks and compartments and other bespoke items to individual customers' specifications, trailers such as York's Freightmaster are becomsystem than simply a trailer. One of the concerns increasingly occupying makers is the expected introduction of a maxi-

mum height limit for Europe
—a 4 metre maximum is already

Tractor fifth couplings increasingly have edged closer to the maximum British Standard height, putting pressure on trailer makers to find ways of slimming down the connecting necks on their own products. The problem is not too severe for operators carrying 8 ft high containers, but the growing numbers of 8 ft 6 in containers

does suggest that trailer and tractor makers are going to have to work closer together on com-promises. Trailer-makers have already had success at narrowing necks; from 10 ft down to, in some cases 4 in; but this has only been achieved at a penalty of adding weight for bracing. While low profile tyres and constant level air suspension can mitigate the problem, some of the solutions at least must come from the figure.

Certainly there appears to be room for better trailer-tractor manufacturing liaison. There is by no means as much compatibility between units as there could be, and York's Mr. Buckby goes so far as to suggest that the current situation "is some-thing of a nightmare for hauliers." He suggests that if there is a minor relexation of length restrictions—"it's going to be a fight between trailer and ing more of a freight handling tractor as to who gets the extra." Trailer makers would like to

see standardised dimensions for trailer and tractor wheelbases and in such areas as coupler-torear of cab dimensions (the introduction of longer, "sleeper"

cabs has increased difficulties here) so that a trailer could be coupled to any make of tracter unit. At the moment, he surgests, "it's always the trailer that's wrong."

Such dimensional problem: are not confined to compatibility—they also feature in aerodynamic equations offeren higher weights apart, probab! the biggest potential for saving. Minimising the trailer gap can play an ing 🔭 tant part in reducing air drag, and trailer makers conceder that there is still a considerable mount of work to be done in other aerodynamic areas.

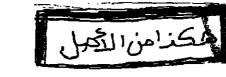
Radiused front edges have helped, but research is also go ing into ways in which the undersides of trailers can be "cleaned up" to match aeridynamic advances in traction designs. The ultimate result could have similarities to the "ground effect" designs of grand prix racing cars. Aerodynamical are complex, however, and ones, device which visually appears to be a low-cost improvement, the bolt-on aerofoil, is not problem-free. Their efficacy varies enormously depending in angle installed and type of tractortrailer unit and in some cases can actually be counter-produc-

In the absence of that, one "integrated concept vehicle" cur-rently being tested in West Germany perhaps provides a pointer for the direction in which the industry might go: Ackermann and Daimler Benz late last year unveiled the CLZ, a 38-tonne unit with minimal distance between the trailer and a tractor which, with the sleeper unit built above the "working" cab, presents a streamlined frontal

A reduction in the air drag over conventional tractor-trailer but Crane Fruehauf believes the saving is considerably more than that. Apart from cutting drag, "two-storey" cabs could become increasingly important as a way of offering greater trailer cubic espacity.

One accelerating development in trailers, however, could rea-der such considerations if not academic, then rather peripheral by rail, their movement with tractors to take them on just the last leg of their journey by road. Mr. Jeff Harrison, managing director of Trailor (UK) believes that there is a bright future for "kangaroo trailers, especially designed to be manoeuvered onto low rai! wagons which are themselves purpose-built to accommodate trailers at minimal height.

John Griffiths



Makers optimistic about export prospects

THE WEAKNESS in the recent export performance of Britain's trailer manufacturers appears to be levelling out, and there is optimism that the industry can look forward to a brighter picture in terms of overseas sales both this year and in thet years ahead.

However, this optimism cannot be termed as unbridled yet, for there were enough prob-lems within the industry during the year: the truck drivers' strike, the engineering dispute and the rising value of the pound—to inject a sobering element of caution in prognosticators' forecasts.

Of the 24 industrial trailer manufacturers listed in the UK by the Society of Motor Manufacturers, the industry leaders continue to be Crane Freuhauf, part of the U.S. freighting conhow this was contributing to the tion in international competi-glomerate: York Trailers, part company's overall financial tion. They concede, that it is of York Transport Equipment, success, Crane Fruehauf appears difficult to quantify the proband Craven Taskers, the trailer mannfacturing division of John

Most indicative of the industry's new optimism is Grane Freuhauf, which has undergone a major internal re-trailers and transport con-trailers in 1979 totalled 97,500 sion following its takenter by metric tonnes, valued at £117.2m Freuhauf of the U.S. two years of which EEC clients imported sion following its takenter by ago. One element of this shakeun saw Crane Freuhauf dissolve Overscas Sales Division and set up an export section aimed at sharpening the company's presence in the international

Sales teams

Mr. Barry Fiske, the export director, said the compnay was now making better use of the U.S. parent's distribution network on the Continent. It was also improving its ties with £13.7m. sales agents in Europe, responding to the traditional European custom of preferring to deal with locally-based contacts rather than sales teams pitchforked in from overseas on sales

parts replacement business results until the drivers' dispute among Middle East clients— hit, and by autumn, at the semething of a rarity in the height of the engineering distrailer business.

In addition, Crane Freuhauf has concluded a wide range of recent deals, not only in its strong Middle East market, but in Holland and France and in Sweden and Denmark, where it

overseas. Its exports turnover in 1980 rose 50 per cent last year over the previous year, and although Mr. Fiske was not able to say has hurt their competitive posi- accessories. While both Holland

PI	RITAIN'S TRA	ulen e	APORTS	
	Quantity (metric tonnes)	Value	Quantity (metric tonnes)	Value
Trailers and tra	usport container	<u></u> S		
EEC	64,763	£70.6m	64,735	£74.7m
Total	104,053	£124,9m	97,521	£117.2n
Trailers and ser	ni-trailers for tra	nsportin	g goods	
EEC	10,760	£13.7m	9.314	£10.5m
Netherlands	2,612	£4.7m	1.049	£lm
Ireland	4,032	£3.6m	4.876	£4.1m
Denmark	1,783	£2.7m	1.729	£2.7m
Nigeria	2,256	£3.4m	289	£850
Saudi Arabia	2,614	£3.4m	2.645	£8.4m
Other countries	10,746	£13.8m	8.446	£13.1m

to be well on its way to reach- lem in the light of Britain's ing a £10m foreign sales target more pressing industrial difficulfor 1981 for all types of industrial trailers.

Trade statistics, exports of all some 64,700 tonnes valued at lighter and more well-assembled £74.7m. This was a fractional decline from overall sales of 104,053 tonnes at £124.9m and £70.6m for 1978.

The exports of trailers and semi-trailers for transporting goods reached 18,434 tonnes last year and a value of £25.1m with the EEC taking 9.314 tonnes worth £10.5m. In 1978, these totals were 25,064 tonnes worth £33.2m, with the EEC's share at 10,760 tonnes and

Crane Freuhauf's outlook. however, is counter-balanced by that of York Trailers, which was especially hard-hit by the lorry drivers' strike last winter and the autumn engineering strike. The company had been showing It has picked up spares and an improvement over its 1978 pute, it was forced to confess that industrial problems "have destroyed the growth for the third quarter and, with it, our expectation of a reasonably good year in 1979." Yet, in spite of the problems

has concluded sales for refrigerated and TIR units.

In all, this means that the company is enjoying lively sales

Source: Department of Trade.

ties last year.

Nevertheless, they point out According to Department of that Britain is in a strong com-rade statistics, exports of all petitive poistion internationally. not only because of its traditional strength in far-flung emerging countries, but because of its reputation for building

> Standardisation remains something of a problem, however, in some markets, such as the Continent, where what is permissible for roads in Holland may not be suitable for roads in France.

> But the trailer-cab coupling problems that were widespread a few years ago have long since been overcome thanks to the leadership of Volvo and Scania of Sweden, which were at that time the leaders in truck design, and who set the pattern for other truck makers in the UK, Europe and the U.S., with follow-on co-ordination by the trailer manufacturing industry.

Accessories

York Trailers also points out that uniformity of standards. such as between the UK and Europe on gross commercial vehicle weights, is finally coming into being on the basis of what the company has called the "utter logic . . . of fuel conservation and cost effectiveness for the nation's transport.
As trade department figures indicate. Europe remains the primary marketplace, with the Ireland, Denmark and Industry officials readily admit largest markets for UKNigerian Government last year.

that the high value of the pound manufactured trailers and trailers are trailers and trailers are trailers and trailers and trailers and trailers are trailers are trailers and trailers are trailers are

and Denmark are among the smallest countries on the Continent, the UK market penetration reflects the importance of their transport industry in the movement of goods in Europe. Last year, Britain sold 4,876 tonnes of trailer and semi

trailer equipment to Ireland for £4.01m, another 1,729 tonnes at £2.7m to Denmark and 1,049 lands. The Ireland market was up sharply, but the Danish and Dutch markets showed declines

Crane Freuhauf has enjoyed a spurt of sales in Scandinavia, and Craven Tasker has just announced the sale of £1m for the supply of refrigerated trailers designed for operation in Scandinavia and the UK to Ess-Food of Denmark.

In spite of the collapse of the Iranian market and the consolidation of some Middle East ones, Crane Freuhauf is opti-mistic of a recovery in the region, and is particularly encouraged by the emergence of Iraq, where the company predicts about a three-year run of good business

Iraq's potential was emphasised by a series of nisterial level missions to that country in recent months by businessmen. The company also maintains its strength in the United Arab Emirates and

The Saudi market has shown some slippage, with UK exports of trailers and semi-trailers declining fractionally from 2,614 tonnes at £3.4m to 2,045 tonnes, also valued at £3.4m—the constant value being attributable to inflation rather than strength of unit sales, but the company sees its own performance in the region as improving.

As for new markets in emerging countries, Craven Tasker is enthusiastic about recent sales to Pakistan, Sri Lanka and Burma, and last year it delivered a 150-tonne trailer. one of the largest it has built, to North Vietnam. But it also has sold to Poland and feels that there is much to be gained for the industry through closer ties with the Comecon bloc of countries.

The chief African purchaser of industrial trailers has been Nigeria, but sales reached only 289 tonnes valued at £840,000 last year, compared with 2,256 tonnes valued at £3.4m the year This decline was before. largely the result of the severe Frank Gray



Steady growth in leasing

trend in the UK, is experiencing a steady growth. This growth has been attributed to a multitude of causes, not least that in the present time of economic uncertainty haulage companies are loath, or unable, to invest large sums of their own capital in new equipment.

By renting a trailer, a haulier can take on extra equipment during peak working periods as well as to try out different makes of trailers without making a long-term commitment to a manufacturer. Customers vary-from the one-man operator to the major brewers and nationalised indus-

tries. However, not all operators believe that leasing is a viable form of fleet

United Carriers, for example, does rent trailers to provide capacity when traffic levels are very high, for example, shortly before Christmas. But it does not have any trailers on lease, preferring out-right fleet ownership.

Mr. Martin Smith, United Finland. Carriers' company secretary, said: "Leasing is a way, for example, to start off in the haulage business. It is a system which makes sense to those who cannot take advantage of capi-tal allowances. United Carriers very soundly based and has the cash resources to buy its fleet outright."

One of the most recent groups offering trailer rental is British Road Services. BRS, when it launched trailer rental last March with 100 trailers, said that the activity was "a natural progression from the successful BRS truck rental operation and ssion from the successful formed another important link in the development of a total distribution service within the UK by BRS."

RENTING AND leasing trailers, about 6,000 trailers in service TIP's specifications to manufac-aithough a relatively recent with its general haulage, con-trend in the UK, is experiencing tract hire and distribution busi-ing trailers for many different with its general haulage, con-tract hire and distribution business. However, it said market research indicated "a considerable growth " was likely in the number of trailers in use in the UK over the next five years, one specific tractor. coupled with a continuing swing towards low-commitment hiring.

trailers for rent by 1984 and it said its present central fleet of 400 trailers was "well on target." One of its advantages over competitors is that BRS has extensive back-up services from its 150-plus operating depots and services—such as BRS Truck rental which can supply

Potential

However, the major UK rental company is the U.S.-owned Transport International Pool, which owns a fleet of 4,000 trailers operating from 17 branches in the UK and 10,000 trailers from 53 branches in Europe. The European depots are in France, Germany. Holland, Sweden, Denmark and

tractor units when required.

TIP believes that 15 per cent of all trailers in the UK are below the American level but still a greater percentage than that achieved on the Continent, with the exception of Holland.

TIP stresses the local nature of trailer rental, and therefore the potential for opening branches in relatively small industrial towns. Mr. Brian Pickering, TIP's marketing director, said: "Customers don't want to have to drive many miles to pick up a traler." TIP rents its trailers for

years, with a wide choice of vehicle and service. There are

types of tractors and so we have to have many more "extras" on the trailers than if we were buying a trailer for

The other major trailer rental and leasing company in the UK is Crane Fruehauf, which is also American-owned.

divide into two separate areas or on a long-term lease. Its of operation. Crane Fruehauf Finance provides a leasing serfairly evenly between leasing vice while the company's rental operations are run by Rentco. Rentco was formed in 1970 while CF Finance was formed

Rentco has a range of semitrailers for rental and contract ire from 19 branches in the UK. A few more branches are planned. The company operates about 3,000 trailers. In recent months Rentco has been energetically conducting a pro-motions campaign, called campaign, ca Custom-pkan, customer commits himself to a certain length of rental period he is given a number of weeks' use of the trailer free. For

example, on a two-year contract he would have 12 free weeks. Rentco said: "We launched the programme in February and the offer ends on April 30. We believe it could boost the business, given the current industrial problems such as strikes which are affecting the haulage

"We are also trying to offer the customer a more flexible package and building the rental around his needs. For example, a customer can take a hired trailer to any one of our branches for service or main-

On the Continent, Rentco has about 3,000 trailers on hire in tinent has few domestic trailer hirers, most are internationals, such as Renteo, TIP and X-Tra. It is only in Holland that trailer-renting is well estab-lished, since the idea is "less understood" in the other major markets such as Germany.

CF's other subsidiary trailer-rent and leasing is CF Finance, which provides the facilities for the acquisition of Crane's trailer operations group products on hire-purchase

fairly evenly between leasing and hire purchase.

While CF and TIP are the long-established leaders in the market there are several other companies offering similar, and competitive, services. These include Trailerrent, X-Tra, Central Trailers, Euro-Trek and Willhire of East Anglia.

Subsidiary

Trailerrent, set up in August 1978, is financially supported by National Car Parks. It is not a subsidiary of NCP but has a number of directors in common Eight of the people involved in setting up Trailerrent had been former employees of

Geoffrey Markham, financial and leasing director of Trailer-rent, said: "We now have about 1,000 trailers which can be hired or leased. Our growth has been

The market for trailer rental. for example, is growing, and will continue to do so for the next five years. Although the percentage of trailers hired in the U.S. is much higher than in the UK, it is now generally becoming more acceptable to hire a trailer in this country.' Trailerrent offers a good range of trailers from lowloaders to refrigerated trailers and has six branches in the UK.

Lisa Wood

EEC common standards making slow progress

JWLY, agonisingly so for It is argued that with about

disparities of existing naconal legislation among the nine EEC members are con-siderable and range from the nost-important concern, that of lown to the size and location of cautionary boards.

Yet there is little optimism mong trailer manufacturers of haullers that an overall regime allowing, for the hauliers, un-hindered movement of goods vehicles throughout the FEC and, for trailer-makers, full opportunities to rationalise products and production, will emerge much before 1982.

in Brussels, Europe's Economie and Social Committee. with technical and other working group's is endeavouring to draw up a package covering weights. dimensions, safety and other

But when a harmonisation package is knocked into shape. it will face apart from potential opposition from national ndustry and environmnetal lobbles - passage through the EEC Commission, then likely further referral back to technical groups before landing on the agenda for the Council of Ministers. Rumblings from the affected industries about "heel-dragging" by Brussels burcacrais have done little to speed The problem is felt especially

acutely in Britain, where the and above. But now there are series of tests on ordinary roads, has designs for a whole range mass. of environmental ition to a higher national

dein's trailer makers and seven tonnes payload less per industry. Europe is vehicle compared with Eurong towards a set of com- pean rivals. UK hauliers are andards for commercial operating internationally at a s. They are badly severe economic disadvantage and that a move to a 40-tonne limit would greatly improve fuel efficiency. It is also suggested that an earlier increase in gross laden weight from 24 to 32.5 tonnes, which allowed a big increase in the quantity of goods tehicle weights, over a host of carried without corresponding carried without corresponding safety and technical issues growth in the number of lorries growth in the number of lorries them, would carrying

But the crux of the UK industry's case, and on which much of the environmentalist oposition centres, is that the higher weight can be introduced without tractors and their trailers being physically bigger overall—though an extra half metre over and above the existing 15 metres maximum is possidered desirable to accomconsidered desirable to accommodate increased safety fitments-and without inflicting any extra damage to roads.

Three axles

To basis of the latter argument is that the vehicle trailer would have three axles, now two apart from adding a third axle, eventually accepted the only visual difference) and the existing ones might also European standard. (the only visual difference) and that since the weight of a have to be moved to achieve vehicle is transferred to the correct distribution of loadings. road through its axies, there would be no increase in loading describes as "10 years of absolute indecision" is that

magazine last autumn sponsored years ago many of them were Project Octave, an exercise asking us "what should we and looks like becoming whereby York built a trailer of buy?" We still can't advise them. mandatory under harmonisation whereby york built a trailer to buy. We suit any set trailer to mandatory under harmonisation the same dimensions as its if an operator buys a trailer to regulations. Safety require-existing Freightmaster framesuit what might be tomorrow's ments differ: France is less van using the latest suspension he is penalising considering making sideguards biments with the uniche of the same of the same are to be supposed to the same of the same of the same differ. traner and haulage industries tess van using the latest subset of himself with the weight of a mandatory to prevent cyclists, have lived for a decade with sion systems on three axies, to himself with the weight of a mandatory to prevent cyclists, a 32.5 topine gross vehicle laden a gross laden weight specification extra axle for today's a gross limit while the rest of tion of 40 tonus. Dispensations rules." were obtained to carry out a the same time, the project con-built and marketed in both the cluded, 75 vehicles running at UK and the rest of Europe as 40 tonnes could carry the same and when harmonisation comes

actual reduction in road trailer. damage, because of reduced But

raise unilaterally British weight limits in advance of an overall ments for raising weights than its predecessor, few in the industry are counting on it.

A raising of the gross unladen weight limit could allow many existing tractors and trailers to run at up to 36 tonnes without

In an attempt to illustrate the some operators are holding off economic point. Motor Transport on investment decisions. "Ten

The claimed results were that of trailers to suit higher weights. sion ser up under Sir Arthur fuel efficiency was increased by Crane Fruehauf. Europe's Armitage to investigate the 24 per cent as a result of a 23 biggest trailer maker when impact of heavy lorries on per cent increase in gross both its UK and Continental people and the continental increase in gross both its UK and Continental increase in gro people and the environment, weight providing a payload manufacturing bases are taken and which is expected to report increase of one-third greater into account, for the past 12 in the authority of the past 12 in the past 12 i in the autumn, might prove the than the forecast increase in months has been working on a stallyst for breaking up the road freight volume by 1990. At range of trailers suited to be spill many the road freight volume to the road freight volume by 1990.

oayload as 100 vehicles running about. Work to date has con-at 32.5 tonnes. centrated on platform trailers at 32.5 tonnes. centrated on platform trailers

The effect of the latter, the but is being extended to cover project concluded, would be an virtually all types of semi-

But for as long as national overall mileage, of about 10 per regulations within the nine cent.

member EEC states continue to Whether those arguments differ so widely, so the division will wash with the Armitage of Europe into national trailer Commission, and whether they might lead the Transport Secre-Holland has the highest gross

tary, Mr. Norman Fowler, to laden weight, at 50 tonnes, while in the most crucial area, axle weights, France currently EEC harmonisation agreement has a 13-tonne limit, which, is open to doubt. Although the industry feels that Mrs. to reduce; Italy in 1978 jumped that there more kindly disposed towards the economic argument for might then

Exemption

Among the welter of pro-posals that has been considered in Brussels, the one most recently receiving attention has infringing the current axle weight limit of 10.17 tonnes.

But to go above 36 tonnes operators will need either to to 44 tonnes for carriage of the first operation oper buy in new tri-axle trailers, fully loaded, 40-foot, 30.5 tonne which would provide a welcome containers. On these, a sixth boost for trailer builders, or have their fleets converted, not necessarily a simple process, as axle weight of 10.5 tounes is eventually accepted as the But the harmonisation prob-

lem is not confined to weights (it would still be open to member Governments to allow higher weights for national operations). There are no height restrictions on trailers in the UK, but one of 4 metres is prevalent on the Continent trailers: there are conflicting regulations on rear under humpers and on load-securing systems; even for those "long vehicle" signs and their signs and their equivalents, and linguístic where they should be mounted. All add to the cost of tailor

ing trailer-makers' products to

individual markets and account

for the relative absence of pan-John Griffiths



Wherever you go we're right behind you

Own your trailers and you're on your own. you need them. Checking and servicing them: Servicing and maintaining them. Making sure they refully occupied and earning their keep. Adding to them when they become insufficient Replacing them when they

become absolete. Rent from TiP and you have our backing all the way without touching your capital or credit Providing all the trailers you need, when when they need it. Offering you more when business hits a peak. Taking them backwhen thingsarestack. Whatsmore, with TIP behind your vour

business can really go places developing in other directions. You can take on new business renting more TIP trailers. You can carry new loads by renting our specialised

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10,000 trailers in 16 different variations from any of our branches which cover Europe and vour business will neverlook back

TIP Trailer Rental, Star House, 69-71 Clarendon Road, Watford, Herts. Branches throughout the UK, Belgium, Denmark, France, Germany, Sweden and The Netherlands. Kenneth Gooding meets the men running some of the principal companies and finds out what they think of the industry's prospects.

Comfortable profits despite the problems

PROFILE: CRANE FRUEHAUF

Recovered at last from traumas

CRANE FRUEHAUF, Britain's prices and market strategy."
mojor trailer maker, seems at A tall, burly, extrovert
last to have recovered from character, completely the oppothe series of traumas which site of the allegedly "faceless have shaken the company over men" whom the rest of the

The problems date back to Mr. Croft took over as managing the mid-1970s and the bid director in August 1978 and has from Fruehauf Corporation (of since been busy reorganising the U.S.), which previously company structure. owned only one third of CF. It resulted in a protracted vidual companies and operating and very bitter battle for units into a one-company struccontrol, which eventually the

than-usual dividend of £400,000, a procedure not uncommon during takeover battles.

After control changed hands, merly 1 CF actually reported a loss of Trailers. £302,000 instead of the £3m The profits. This did not arise from any major changes in accounting policies. But CF at that time was made up of 37 registered companies of which about a dozen were operational and autonomous operations. those two o Too many of the managers been filled. turned out to have been over-

optimistic. That was not the end of the financial story and only part of the reason that CF became somewhat strapped for cash.



Philip Croft: aspirations The bid costs amounted to £400,000. It cost CF a further £406,000 to get out of a con-tract to build a factory in Iraq —construction had already

started. That added up to a limit but Fruehauf guaranteed them, so the bank continued to give credit. The company was able

continue trading and reorganise. For a while, CF was run by Mr. Fred Schwab, the American for whom the descripton "whiz kid" might have been especially coined and who is president of Fruehauf's total European operations. Fruehauf went through the process of "looking

for a new manager director " for

Profitable

During the period of the bid number of CF senior managers left. However, one man who stayed on-Mr. Philip Croftcame through to become the new managing director. Mr. Croft had for some years

been managing director of the profitable trailer building operations within CF.

He joined CF nearly seven years ago. Originally, he trained as an engineer—both mechanical engineering and production engineering — and As Mr. Croft points out: "A started his career with GKN's trailer is a price-sensitive prorolling mills operations in the north Midlands. Later, he moved to Lancer Boss, the lift truck concern, where he was in charge of production and then to British Oxygen's Murex and

Mr. Croft reckons that trailer anufacturing is "the most manufacturing is difficult bit of manufacturing industry I have been in, so far, because of the speed at which market conditions can change. To optimise profits you must be prepared to change your stance very frequently, in terms of afford to pay for."

industry have suggested run CF,

mericans won. and shortening lines of com-In the latter stages of the munication. CF's structure now In the latter stages of the consists of a manufacture campaign, the CF board fore-consists of a manufacture cast that 1977 profits would be division, a marketing division, and four and it paid a larger-and subsidiaries wholly-owned subsidiaries-covering rental, finance and the two Irish companies, for-

> The strain on the managers in the hiatus after the bid can be judged from the fact that, for some time, Mr. Croft was manufacturing director and marketing director as well as managing director. But those two other posts have now

The financial results for 1978 covered only 10 months. There was a £607,000 loss. One of the factors was the Iranian crisis which caused CF to write-off its stocks in that country.

There were also strikes over pay at CF's Dereham, Norfolk, plant—five weeks—and at Oldham—two weeks following a work-to-rule—which Mr. Croft estimates cost £1m in lost business—"Without the strikes we would have recorded a small

Despite 1979 being a difficult trading year, starting with the haulage dispute and ending with the engineering industry problems, CF made "a comfortable profit"—£1.289m on a turnover of £79m. The result, says Mr. Croft, was "a shade short of my aspirations."

The CF operations are "now pulling together for perhaps the first time in its history." Last year the head office of CF was transferred from Hayes to Dereham, a move which reduced central overheads and

seemed "more appropriate to the group in its present form." Continued pressure on stock control and cash collections enabled CF to reduce its borrow-The company now has employees, compared with 3,291 at the time of the bid battle.

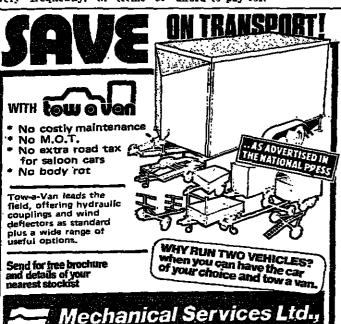
Last year, CF won what it claims was its biggest ever order for trailers when the Irish subsidiaries were asked for 1,000 by B. and I. Ferries. The trailers ere manufactured in various UK and Irish plants. Partly as a nesult, CF

improved its market share in unit terms last year to approaching 50 per cent. Mr. Croft is in no doubt that 1980 will be a difficult year for the industry. The impact of the

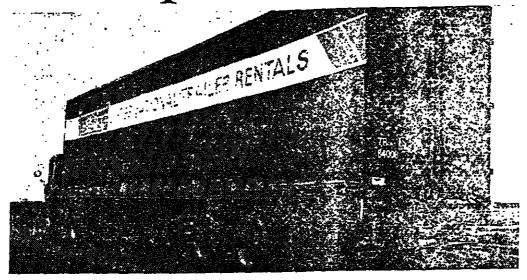
felt and CF has short-time work-ing within the trailer division. "Nevertheless, I believe our group is now fundamentally stronger than ever before," he adds. "I am confident we can increase our competitiveness and make 1980 a secure and profitable year."

Mr. Croft predicts demand for trailers in the UK is likely to fall from 17.500 last year to perhaps 12,000 to 13,000 in 1980, as competition will certainly intensify

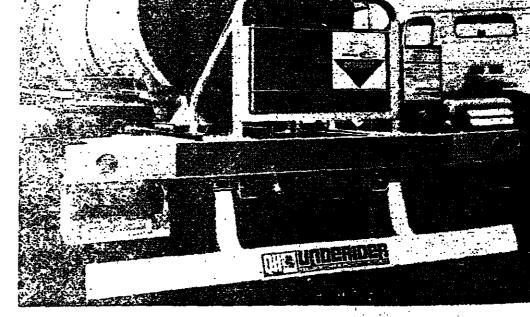
duct. The technology is not high enough to ask a lot more for a better product. Manufacturers will be under pressure this year. But CF will always avoid fighting just on price—we can use financial deals, trade-ins (our used trailer operations allow for part-exchange) and even rentals. What we must try to do, at a time when haulage companies will be suffering some liquidity problems, is create a package to suit the individual haulier's needs—but one he can



Belmont Road, Bolton. Tel: 58434



Above: Trailerrent has expanded rapidly since it was formed in 1978. Right: This sprung underrider will prevent a car that crashes into the back of the tanker from running underneath, which also protects its load of corrosive chemicals. The springing can save lives by absorbing much of the impact



PROFILE: CRAVEN TASKER

Pleased with award

satisfy the judges—and an award is not easy to win. "But is the trouble worthwhile?"

they ask.
Mr. Henry Booker, managing director of Craven Tasker, which collected its fourth Design Council award earlier this month, has no such doubt: "I regard the awards as well

worthwhile. They are a good aid to exporting too," he says.

The award-winning Taskold refrigerated semi-trailer from Craven Tasker's Sheffield factory has certainly helped put the IIK business further cement on the com-pany's relationship with the Danish Bacon Company. Orders for the Taskold mean that DBC has so far asked for more than

1,200 refrigerated trailers from Craven Tasker—probably the biggest sequence of orders the

disputes.
"It has created a high degree of tension for executives element for income from conthis year as we struggled to deal with all these abnormal and finance operations.) troubles," he says. For example, Craven Tasker factories. "We had to put in tremendous efforts just to keep things

Mr. Booker stresses, however, nauid. that Craven Tasker " had a good year in spite of everything.

SOME PEOPLE turn up their industry. It was formed from and outside for storage." noses at the Design Council a combination of Cravens, Craven Tasker has a high awards for the motor industry. Homalloy and Taskers. More degree of specialisation at each recently it acquired, in a com-plicated deal, the UK trailer-making operations of Boalloy. which makes the Tautliner and

> European leadership in the design and manufacture of sideaccess vehicle bodies.
>
> Boalloy brought with it two
> of the Design Council awards
> which Craven Tasker now

Linkliner products and claims

counts among its total.

The previous owners of Boalloy retained some parts of the UK business and all rights to Boalloy-designed trailers outside the UK. As a result of the

mergers, Craven Tasker has emerged as a "third force" in the UK industry. It is a subsidiary of the John Brown group, so financial statistics are not easily come industry has ever seen.

The Design Council award provided some light relief for Mr. Booker in a yeas which has been fraught in that the industry has had to cope with the impact of three external of three external petitors' figures cannot directly he compared with this because they often include a large

the engineering workers are at Woodville, near Burton-dispute hit three of the six on-Trent, where the headworkers' are at Woodville, near Burtonquarters is alongside manufacturing facilities: Andover, efforts, is concentrating heavily Congleton, Garstang (near Pres- on safety aspects. Mr. Booker

The company has played its place. In any case, you need run bumpers, load retention, part in the restructuring of the a great deal of room inside a and side guards to stop cyclists manufacturing factory for trailer fabrication and pedestrians falling under tion well ahead.

All the factories are-or shortly will be-freehold. Mr.

Booker says with obvious satis-faction: "Plenty of acres, all freehold." He claims that the Cumbernauld factory has the highest trailer output in Scotland. "Our experience in Scotland is so good we are expanding there." But that does not necessarily

mean the existing plant will be

Mr. Booker is a large, affable man, a "character" in an industry not short of coullient personalities. He insists that Craven Tasker improved market share last year-in value terms at least. The company has for the past four or five years been concentrating on trailers with more added value. So, although total unit sales in 1979 were about the same as in the previous year, the value went up and within the unit total sales of heavy trailers improved 20 per cent.

Craven Tasker now manufactures the biggest-in carrying capacity—low loaders in the UK; trailers which can carry very heavy fabrications, up to nd finance operations.) about 1,200 tons, on which ali Craven Tasker's six factories the wheels steer and on which the suspension can be lifted, by hydraulies, by up to 2 ft. The company, in its design

Sheffield and Cumber suggests that harmonisation of vehicle standards throughout "Our policy is not to have the EEC could well take account too many employees in one of such safety aspects as under-



Henry Booker: tensions

trailers He also insists it is the trailer manufacturers' responsibility to combat the menace of road spray-"the unacceptable face of the juggernaut.

And he is worried by the suggestion, currently gaining ground, that road tax payments should be related to axle weights. "That could distort trailer design at the cost of

safety."
A great supporter of EEC harmonisation—"!t will stimulate international traffic"—he does not expect any major legislation, or harmonisation, for at least three years. And he warns: "Sales will be depressed as harmonisation approaches. Only after it is implemented will we see a boom.

Mr. Booker maintains that the industry needs better forecasting methods and for this reason should keep in closer formal liaison with the truck manufacturers, using the Society of Manufacturers Motor Traders as the forum. He points out that trailer manufacturers' profitability suffers badly when they are not able to plan produc-

Selling well from France

PROFILE:

TRAILOR

are the Fruehauf Corporation which operates using the Trail-mobile name in North and South America and as Trailor in South America and as Trailor in which about 500 were interest in the UK for a British turn. South and Fruehauf's of about £2m. This compabout 34,500 and Fruehauf's with the 1978 turnover for the form of the for official estimate. The two companies have taken different approaches to

the European markets. Fruehauf operates via completely autonomous—but wholly-owned —subsidiaries in each country. Pullman in contrast acquired Trailor in France and tries to resent a "European" image. It is 68 per cent owned by Pullman with the rest of the shares quoted on the Paris Bourse. Trailor has succeeded in sell-

ng significant quantities of trailers from France into other countries, an achievement in an industry where there is little cross-frontier trading. panies in Germany, Holland and Belgium selling trailers produced in France.

But Trailor does recognise that if it is to continue to expand in Europe, where it has a market share of about 9.5 per cent compared with Fruehauf's 20 per cent, it will have to operate within more markets. The UK was an obvious place to go, given that it is Europe's

second-largest market for trailers, after France. In 1974 Trailor gained a foothold by buying the heavy trailer building division of Peak Trailers. This did not work out. After

a couple of years or so, Trailor recruited Mr. Jeff Harrison as managing director of its UK subsidiary. He left the Peak assembly facilities and moved to Blackwell in Derbyshire, setting up some assembly facilities alongside, but separate from, the sales headquarters. Mr. Harrison, also in 1976, stopped making Peak trailers

with Trailor badges on them. Instead, he began importing semi-knocked-down trailers from the French parent company And, instead of acting like a big company and trying to cover the total market Mr. Harrison has so far developed Trailor (UK) as a specialist

key to success. You must build on your strengths." he says. One of Trailor's main strengths in France is its position as a maker of "Savoyarde" trailers, better-known in the UK as TIR international trailers. Trailor reaching a position where is should be manufacturing in should be manufacturing in should be manufacturing in the same should be same

supplier. "Specialisation is the

trailer industry.

So far, Trailor (UK) has not been active in tippers, vans or tankers even though the French parent is relatively strong in these areas. "We have not yet the board," Mr. Harrison syas. acquisition in the UK. He has concentrated on winning orders for TIR trailers ment in the market, from hauliers on the Dover-to-France run where trailers go driver-accompanied. So far. he

THERE ARE two major trailer Sea run to Scandinavia wile makers in the Western world, the trailers mainly go use both based in the U.S. They accompanied. This is a very price-conscious part of the T

(UK) sold about 650 trailere " the turnover from Trailor's container manufacturing

But Trailor (UK) does in: substantial voice in the European Scandinavian countries 😘 the rental companies in Faconcern played a major p. Trailor's development frameless van. In a few months' Trailor (UK) will widen

range by offering a refrieer van. This will be brought



Jeif Harrison: strangti

from France built-up-an e sive process. But it should worthwhile, given the advalue of the vehicle. Mr. Harrison dismuses the

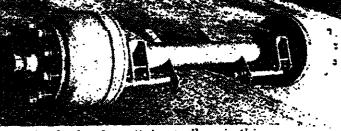
idea that the strength of the pound helps his sales efforts. The value of sterling is not all that high, if you take a longer term view, he insists. Howeve the high rate of UK inflation has been a help in the pas Trailor (UK) has been able t two a year because inflation France was so much lower. Mr. Harrison joined Trailo

(UK) shortly after leaving York Trailer. At York, he was recruited by Mr. Fred Davies. the founder and chairman. He worked closely with Mr. Davies until 1976 when he began to Mr. Harrison decided to resign and was quickly "beadhunted

always been his aim. But much Mr. Harrison has been con-centrating on selling this type factory at Coignieres, Eastern of trailer to his UK customers. France. This was set up in supply all Europe and until it runs out of capacity the company will not be expanding elsewhere. Something over which he has

completed the necessary mar- no control-although obviously keting groundwork here to he would have a voice in the launch our effort right across decision—would be expansion by could lead to a rapid develop-If the UK industry suffers

during the expected downturn i:. demand this year and next. has not found a way to create might be the right time for much of a dent in the market Trailor to make overtures :.. for trailers used on the North one of its British rivals.



A standard axle unit for trailers is this one new by Rubery Owen Rockwell

PROFILE: YORK TRAILER Cheerful order books

and has to provide the detailed bears a remarkable resemblance information public companies to the York Freightmaster.
are required to give.

York has also had difficul

first quarter of 1979. York building operations. Trailer recorded its first-ever loss. During the hauliers' Carrimore the root of the closed the Northallerton trailer three days and that made a

special projects, trade through the summer was buoyant and the problems in the second and third quarters were of meeting demand. Demand tapered off during December but the com-pany entered 1980 with "betterthan-average" order books.

In 1978, the last full year for which there are figures, York made a pre-tax profit of £1.15m on a turnover of £32.2m. According to the chairman, Mr. Fred Davies, the engineering dispute took all the growth out of the third quarter of 1979 — "and with it our expectations for a

reasonably good year." components and, at the control of the contr affected by the engineering dispute was the Scammell Trailers factory at Hovering-Nottinghamshire. That certainly played some part in the decision to close the factory and move the manufacture of Scammell trailers to other York relocated at Earlstress, near Corby.

idea was that it would give York second string to its bow on the distribution front. For many years, York has had

If this is so, then the signs with another acquisition, are that the industry made a Anthony Carrimore, bought in poor start to 1978, but has 1977. This company offered a recovered to some extent as the new product area—tipping year progressed. For, in the gears—although it also has body-Mr. Jim Davies says that with

dispute secondary picketing trouble goes back to 1978 when the West African markets were factory in North Yorkshire for suddenly and unceremoniously closed to imports. Carrimore significant impact on the results. had been exporting 90 per cent But, according to Mr. Jim of its products, mainly to that Davies, York's director for part of the world. It was left with an empty order book. According to Mr. Davies, Car-

rimore has now clawed its way to a 35 per cent share of the UK market for tipping gears and "the problems are largely behind us." But achieving this market penetration was not without cost.

York's interest in spreading its operations into tipping gears underlines once again that it is the world's most vertically-integrated trailer making group. It makes many of its own components and, at the other

is accounted for by component manufacturing and sales. It makes suspensions, axles, landing gear, couplers as well as tipping gears. About half the and went to Canada when he axles it manufacturers are was 20. He sold trailers for exported or used by other Fruehauf in Latin America trailer-makers. Its products are before moving back to Canada also made under licence in as president of Trailmobile, the Scammell was acquired from Korea, Portugal, Finland, Brazil, British Leyland in 1977. The India and Japan.

The component business is very profitable, too. It was to using that experience, for its axles and suspensions in

IT IS frequently said that York through independent distribution pany of Streator. Illinois, now Trailer provides a "window" on tors. The acquisition gave York called Anthony York. The the UK trailer industry because it is the only company with a access to both types of outlet— huge slump in truck and trailer it is the only company with a and with similar trailers because separate Stock Exchange quote the new Scamme) Fleetline van Anthony York a rough first year -but it should make a profit in 1980. The components to be made in the U.S. might even be supplied to the British market or other export markets. York's other venture outside

the UK-in Holland where it has a brand new assembly plant at Dordrecht and is now beginning to make progress as the company's base for a launch into Continental Europe. The Dutch factory is making

glass fibre reinforced platic (GRP) vans, marketing Carrimore gears and bodies and is sending significant quantities to the Dutch Railways, a contract formerly fulfilled by export from the UK. The French market is also being supplied to a certain extent from Holland. In France, York is linked with the Renault distribution network, one of the best in the

country. York was founded in 1955 by Mr. Fred Davies, now 72. He is supposed to be in semiretirement and spends only six months a year in the UK. But those who know him say that be would make more impact on a company in six months than lesser mortals in a full year. However, the signs are that

he is taking York through a About £11m of its turnover period of consolidation. By all accounts, Mr. Davies does not talks so much about expansion He was born near London biggest trailer maker in that

country.
Mr. Davies founded York He provide a manufacturing base retains control of York through for its axles and suspensions in York Transport Equipment of its own distribution network in the U.S. that early last year Ontario which has a 75 per cent work which the UK. Scammell operates York bought the Anthony Com-shareholding in the UK busi-recession."

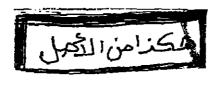


ness. In turn, the Davies family controls 75 per cent of York Transport Equipment. Speaking for the company, his son, Mr. Jim Davies, says that it believes that ultimately the UK will move up to heavier -- It is inevitable because it makes so much economic

He is also one of those in the industry who advocates the introduction of type approval procedures for trailers, mainly as a safety measure. Type approval would, of course, discourage those fabricators on the fringes pop in when there is a boom and disappear from sight during

The signs are that the haulage industry will be in poor shape during 1980 and that would be bound to show up in demand for trailers. But Mr. Davies points out: "York has always made its greatest strides both market share and profitability during recessions in the industry. We've got what we

Those "plusses" include a new GRP van, the "Envoy." and a new integrally-built and a new integrally-built curtainsider which obviates the need to go to a bodybuilder. And York " has a service net-



If it's your responsibility to spend capital on a new trailer fleet you'll want some hard facts to back your judgement. Some of the questions you're likely to ask, and some of the facts we use to support our answers, are given below:

How do you know a reliable trailer?
As Britain's biggest trailer manufacturers we have built up our impressive share of the market on our unassailable reputation for the ruggedness and lity of our entire product range. Our sheer size gives us the capacity to plough a lot of effort back into research and development, quality and production control, to make sure our satisfied customers stay satisfied.

Our sales volume supports a comprehensive range of back-up services right where you need them: through a national network of centres.

How can you know if they'll stand the test of time?

The only way to be sure a trailer will stand rough roads and extreme conditions of service, year after year. is to "get in and find out". So in addition to the sophisticated strain gauge analysis methods we employ in the UK, our Parent Company has the very last word in computer-linked road simulation equipment to test our trailers to extremes. It all adds up to a product range which we can safely say will stand the test of time.

What price EEC Harmonisation? Our positive attitude to European Harmonisation is that it presents

us with a first-class opportunity to utilise to the full our European design, engineering and manufacturing capacity, then pass on to our customers the benefits of scale and of a through-Europe parts and servicing capability. Which is why, with all our experience of customers' needs in the markets we serve, we are already meeting regularly with our European affiliates - from France, Germany, Holland, Sweden and Spain — looking to turn a Euro-problem into a Euro-plus. We alone, of all trailer manufacturers in the UK, have the existing European structure to look after our customer's interests in this way.

Do you get the finance you need? Crane Fruehauf is the only United Kingdom trailer manufacturer offering

you, in house, a comprehensive package of its own LEADERPLAN lease and financing schemes specifically tailored to the needs of the industry. Should you need it, Crane Fruehauf can offer you a total package.

Do you get the back-up you need?

The Crane Fruehauf range of backup services provides you with the full facilities of trailer rental and contract hire from Rentco Nationwide, the pick of approved parts for most makes of trailers through LEADERPARTS, and a used trailer sales facility, all of which, like our service centres with full modification and repair facilities, are right where they are needed. Crane Fruehauf gives you comprehensive nationwide coverage so that whatever you need you'll always know where to

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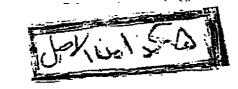
After Sales Service & Leaderparts Crane Fruehauf Branch Operations, Head Office: Norwich Road, Dereham, Norfolk, Tel: 0362 3934 Telex: 975134

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NEW YORK Mess Petroleum Columbia Gas..... 40 Columbia Pict.... 501, Com. Ins. Am.... 167, Combustn. Eng... 551, Combustn. Equip 101, Comwith Edison... 181, Comm. Satellio... 331, Compunsable... 251, Gt. Atl. Pac. Tea 514 578 Gt. Basin3 Pet... 1548 2019 Gt. Whn. Nejcoost Gt. West Financii 1512 1579 Greyhound 1614 15 15 Grumman 2314 23 Gulf & Western 1813 1836 Schlitz Brow. J. ... Schlumberger.... 55 68 13 12 19 16 29 14 42 14 56 24 34 42 18 50 78 15 34 quiet trading. Sentiment continued to be restrained by the Weak Bond markets. A\$5.80 and Emperor 20 cents to the A\$1.85. Elsewhere in Minings, Peko-THE RECENT rally on Wall 257.05 at mid-day after volume of Street proved short-lived, with 1.79m shares (2.87m). Modern Merchg. stocks mainly returning to a downward course yesterday morning in moderate trading. Monarch M/T Canada Gulf OliHall (FB)..... Hall (FB).... Hambernill Ppr. Handeman.... Hanna Mining... Harroourt Brace... Harris Carp.... Harris Corp..... Harsco... Siemens was heavily traded, Markets made a mixed showing at mid-session following a fairly large turnover. The encouraging progress report and Toronto Composite Index lost 6.4 a proposed capital increase to 1,917.8 at noon, while the Oil amounced at the annual meetand Gas index shed 29.6 to 4,330.6 ing. The news apparently brightness and Minaral. 24 to brightness the Electricals sector. The Dow Jones Industrial Average fell 9.30 to 791.4 at noon, eatrain L-s..... ecurity Pac while the NYSE All Common Index receded 47 cents to \$58.84 and declines outpaced gains by 1912 and Metals and Minerals 8.4 to 1,986.3, but Golds added 35.2 at brightened the Electricals sector to A\$3.65. a two-to-one margin. Trading Naico Chem..... volume decreased to 15.16m in general, Brown Beveri adding DM 4.50 and AEG 20 pfennigs. Napo Chem. 11 Nat. Can. 2612 Nat. Detroit. 2411 Nat. Dist. Chem. 2518 Nat. Gypsum. 1814 Nat. Semieductr 22 Nat. Service Ind. 1714 Nat. Standard. 1614 Nat. Steel. 2818 Nathmas. 3654 113₆ 183₆ 243₆ 251₈ 18 814 734 1016 6978 Simplicity Patt...[Simplicity Patt— Singer Skyline Smith Intl Smith Kilne. Sonesta Intl Sony. Southeast Bankg athn Cal. Edison Southern Co. Sthin Nat. Ras. Sthin Nat. Ras. Sthin Pacific. Sthin Pacific. Sthin Pacific. Sthin Pacific. Sthin Ratiway. Southland. SW Bancshares Sperry Corp. Spring Milis. Square D. Squibb Sto Brands. Std Brands. shares from Wednesday's 20.55m. Analysts said fears of a severe Bayerische Vereinsbank put on DM 5, while Linde gained Golds were mixed as Clant Vellowknife rose C\$2 to C\$20, Campbell Red Lake 11 to C\$381 and Dome Mines 1 to C\$72, but Camflo Mines lost 11 to C\$181 and Kerr Addison C\$1 to C\$17, recession and continuing high Hershay..... Heublein Hewlett Pkd.... Hilton Hotels... interest rates as a result of new DM 3.50, among Engineerings, Government anti-inflation polibut MAN shed DM 1.50. remaining the major Domestic Bonds remained negative. Federal Reserve chairman Volcker told the House-Senate eak with seven Rallway Loans marked down by DM 1 apiece, while other public paper recorded falls ranging to Hong Kong Fed will continue to restrain growth of money and credit even with planned Federal Budget cuts. The Treasury announced plans for \$26bn of financing, sending Bond prices sharply lower and interest rates higher. Volume leader Respect which Economic Committee that the recorded falls ranging to 70 pfeunigs. The Bundesbank bought DM 37.3m nominal of stock in open-market operations Crane 881a Crocker Nat 255a Crown Zell 391a Commins Eng 301a Curmins Eng 301a Curmins Eng 301a Curtins Wright 301a Damen 21 Dart Inds 365a Data Gen 611a Dayton-Hudson 395a Doers 325 Denny's 125a (DM 31.2m). Mark Foreign Loans further retracted, with South American issues particularly Home Prod. 23% Medical Int. 32% Std Brds Paint ... 21 Std Oil California 7234 Std Oil Indiana... 10134 Std Oil Ohlo..... 896s Dealers said this constituted a mainly technical recovery, with current ICAC property market Volume leader Benguet, which std Oil Ohio... stanley Wks... stantfer Chem... stantfer Chem... stantfer Chem... stantfer Chem... stantfer Chem... stokely Van K... sun Co... sun Co... sunbeam... sundstrand... super Val. Strs... synbax... TRW... Tart.... Tampax... rose two points on Wednesday, lost \(\frac{1}{2}\) to \(\frac{59}{2}\). ASA shed \(\frac{1}{2}\) to Australia Am. Standard ... *3 | 48\; Am. Storos ... 23 | 25\; Am. Storos ... 25 | 25\; Am. Tcl. & Tel. ... 47\; Am(ac ... 25 | 25\; Am(a Shares continued to recover investigations and fears of a further rise in local Prime Rate \$431, Homestake Mines 1 to \$491 and Hecla 2, to \$301. Silver Bullion prices rose but Gold lost over a wide front in active dealings, with Mining and Energy | Dentary | Dent continuing to overshadow business. However, helping sentiment shares performing particularly well. The Sydney All Ordinaries Index regained 13.62 more to 795.07 and the Metals and Minerals Index 168.54 to ground. The Oil group also declined, Mobil retreated 14 to \$734. Exxon yesterday were softer local money market rates and a firmer to \$58; and Superior Oll \$4 to \$139, Phillips Petroleum has Hong Kong dollar, which should remove some of the pressure to raise local Prime this weekend. 4.902.81. trimmed reserve estimates for its However, brokers said over-Green Island Cement rose Ekofisk Field in the Norwegian seas support was limited, and HK\$3 to HK\$43.75 ahead of news of a final dividend of 70 cents and Paris North Sea. Phillips lost 21 to there was concern that current | IBM | 5878 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1754 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1755 | 1 \$44§. Federal Express fell 1] to \$50§ of a final dividend of 70 cents and a one-for-five bonus issue. Hongkong Bank gained 70 cents to HK\$21.10, Hong Kong Electrical 20 cents to HK\$5.55, Hong Kong Land 40 cents to HK\$10.90 and Bong Kong Wharf institutional buying could not Tenneco Tesora Pet..... Texaco.... sustain the recovery. Several also suggested that the rally was despite higher fiscal third-quarter net profits. Texas Comm. Bk Texas Comm. Bk Texas Eastern... Texas Gis Trn... Texas Oil & Gas... Texas Oil & Gas... Texas Utilities... Texas guif... Textron... Thermo Electron Thomas Betts... quarter net profits. Chips, active IBM shed ! to \$58!, Dn Pont ! to \$34, General Electric ! to \$46!, Owen-Illinois ! to \$24!, Walt Disney ! to \$42!, McDonald's ! to \$37!, Eastman Kodak ! to \$46 and Avon Prodrate ! to \$22! more a response to a month of over-selling than an expression of long-term confidence. of long-term connected. Gold Shares were boosted by sharply higher Bullion prices overnight, while other Metal Minings were helped by firmer London base metal prices. Among Golds, Consolidated Goldfields advanced 30 cents to ASE 80 GMCK 70 cents to ASE 80 GMCK 70 cents to ASE 80. HKS2 to HKS57. Hutchison Whampoa advanced 50 cents to HKS7.30, as did Jardine Mathieson to HKS14.00. ducts 1 to \$331. THE AMERICAN SE Market Eastman Kodak 461; Eaton 225; Echlin Mfg 143e Eckerd Jack 203; Electronic Data 206; Elect Memories 21 Paco 2018 Emerson Elect 31 Emery Air Fgt 14 Emhart 251; Engelhard MC 29 Germany Value Index was down 1.23 at Several leading shares Goldfields advanced at the session, but A\$5.60, GMK 70 cents to A\$4.20, Poseidon 45 cents to A\$2.55, cents to A\$2.55, America were not available the overall pattern was mixed with few major changes in fairly 176s 10 23 s 21 15 s 31 4 2134 1156 37 s 177s Tipperary Tonka Pet Transamerica ... Trans Union Closing prices for North for this edition. 1838 Central Norseman 70 cents to Kaiser Inda...... Kaiser Steel..... Kaneb Services... Kaufman Brd.... Kay Corp..... Kallogg.... Kennacott Cpr... Kennametal.... Kerr-McGee..... JAPAN (continued) BELGIUM (continued) **CANADA** Petrie Sto '98.. Petrolane Pfizer Mar. 20 | Price | + or Transway,..... Trans World ANZ Group 4 AUS Group 4 AUS Group 5 AUS 6 AUS 7 AUS 6 AUS 7 AUS 6 AUS 6 AUS 7 AUS 6 AUS 7 Mar. 20 Mar. 20 Price 十 or Fis. — +0,08 ACF Holding 68 Ahold 69.0 AKZO 23.0 ABN 862.0 AMEV 58.20 AMEV 58.20 Bredero Cart 189.0 Bos Kalls 83.5 Bushrmann-Tet 54.0 Caland Hidgs 25.0 Elsevier 206.5 +0.25 +0.04 Marutal -0.10 Marut -0.04 Marutal -0.07 Missin Riest -0.07 Missin Riest -0.07 Missin Riest -0.07 Missin Riest -0.08 Missin Ries Triton Oli Gas.... 20th Cent. Fox... | Soc Gen Banq | 2,450 | Soc Gen Banq | 1,535 | +25 | Sofina | 2,210 | +70 | Solvay | 2,255 | +65 | Traction Elect. | 2,250 | -20 | UCB | 1,246 | 4 | Union Miniers | 888 | +46 | Visille Mont | 1,452 | +22 | Ex Cell O Ex Cell O Exxon FMO Faberye Faders Fedders Feders Feders Federal Co Fed. Nat. Mort Fed. Paper Brd Fed. Resources Fed. Dep. Storas Fieldcrost MI Firestone 1st Bank System 1st Charter Fin. Bell Canada.... Bow Valley..... BP Canada.... Brascan A...... 8P 3034 3052 5rockway Glass. 131e 131e 131e 8rown 227e 225g 8rown Forman B 377e 372e 372e 8rown Grb 221e 23 35e 8rown B 8hzrp 231e 231e 231e 8rowng Ferrie 137e 135e 135e 8runswick 127e 135e DENMARK Proctor Gamble 548 6378 Pub. Serv. E & G 1612 1614 Mar. 20 +0.01 Can Packers ... 51 Can Perm Mtg... 163s Can Trustco ... 1812 Can Imp Bank ... 231s Cdn Inds ... 25 Cdn Pacific ... 41 Cdn Pacific inv ... 41le Can Super Oil ... 226 Cdn Tire ... 2514 Cherokee Res ... 1114 Burlington Ind... 164 Burlington Nthn. 6512 Burndy 283 Raiston Purina.... Ramada Inns.... Ramk Org ADR.... Raytheon... Reatheon... Redman Inds.... Redman Inds.... Reichhold Chem. Reliance Grp..... Lone Stur Inds... Lone Stur Inds... Longs Drug Strs. Louisiana Land... Louisiana Pac... Lowenstein... Lubrizol... Licky Strs... MCA 47.0 18.1 32 +0.2 +0.5 +0,05 738 1234 4818 1778 27 3814 1912 1912 1958 4578 2212 2212 738 1234 738 11234 Macke..... MacMillan 97₈ 331₄ 284 211₂ Virginia EP...... Vulcan Matris,... Walker (Hiram)... Waliace Murray... Virginia EP..... +0,6 +0,10 FRANCE 1712 3012 3212 1878 2114 2414 778 124 52 3512 22 4034 Gen Am Invest... Gen Cinema... Gen Dynamics... Gen Electric.... Gen Electric.... Gen Foods... Gen Foods... Gen Mater... Gen Mills... Gen Maters... Gen Pub Utilities Gen Reinsce... Gen Signal... Gen Talep Elec... Gen Tile +16 Telkoku Oil TBS Tokio Marine... Tokyo Elect.Pwr. Tokyo Gas... Tokyo Sanyo... Tokyo Sanyo... Tokoko Gas... Tokoko Corp... Toyo Seikan... Toyota Motor... Victor... Wacoal... Yamaha Motor... ITALY Myer Emp,...... Nat Bank..... Rolm Roper Corp* Rowan. Royal Crown Royal Dutch. Rubbermaid. Russell Stvr. Ryan Homes. Ryder System. SFN Companies. SFN Companies. SFS Technolog. Safeway Stores. St. Louis-San F.. St. Paul Cos. St. Rogis Paper. Santa Fe Inds. Au Printemps ... 105 BIG ... 494 Bouygues ... 595 BSN Gervals ... 901 Carrafour ... 1.650 Club Mediter ... 340 CSF (Thomson) ... 458 Cie Bancaire ... 290 Cle Gan Eaux ... 395 Cofimeg ... 150 CCF ... 160.0 Creusot Loire ... 65 CFP ... 252.6 DNEL ... 827 Ferodo ... 335 9 4214 1116 7512 2256 1212 1714 223 2812 4314 5914 3813 6014 516 516 534 | +6 | -6 | -24 | -10 | -9 | -1 | -12 | -2 | -6 | -0,5 McCailloch Oil ... McDermott J.R... McDonnaid 's... McDonnaid Sou... McDonough ... McGraw Edison. McGraw-Hill ... McGraw-Hill ... Mcdia Genl ... Media Genl ... Media Genl ... Media Menl ... Media Menl ... Media Genl ... Media Menl ... Mercantile Stra. Mercantile Stra. Mercantile Lynch ... Pan Pacific Ploneer Conc. Queen Marg't G.. Reckftt & Coin Santoe. Sleigh (H.C.) Southland Ming. Spargos Expl. Thos Natwide... Tooth Utth Mining... Vallant Constt... Wattons. +4 +0.75 +80 +290 +12.5 +2 -34 +50 +3 | Colline | Coll +0.03 +0.09 +0.10 SINGAPORE Mar. 20 Price + or +1 -2 -2,5 -4 -21 -2,3 -130 -6 Waitons. Western Mining... Woolworths..... Wormald Inti..... Boustead BHd 4,42 Cold Storage 2,95 DBS 5,40 NORWAY HONG KONG Mar. 20 Indices --0,3 --0,5 +1.10 +1.16 Malay Brew. 4.80 COBC. 8.00 Pan Elect. 1.53 +0.15 Sime Darby. 3.98 +0.20 +2.40 +0.70 +0.70 +0.70 +0.50 +0.50 +0.20 +0.25 +0.70 +0.50 +0.20 +0.20 +0.20 AB & Cl. 6.95 Anglo Am Cp. 13.60 1979-80 -0,2 +2 -5,4 -5 -2,5 Mar. Mar. Mar. 30 19 18 17 NEM AOKK-DOM JONES 1979-80 AUSTRALIA Sydney All Ord. (1986/39) Metals &Minis (1986/39) Hime Binds 64,70 64,82 64,20 64,85 64,41 64,52 (86,10) 64,66 (11,76) (27,762) Transport., 256,86 254,97 255,31 261,78 263,16 265,68 (92,240) (13,76,40) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,76) (13,7 AUSTRIA Credit Aktien (2/1/62) 81,53 (2/3/79) SWEDEN 94.15 98.61 92.65 93.49 82,65 (18/3/80 DENMARK Copenhagen SE (1/1/78) 176 121 66 67 160 130 TradingVol 000's1 56,588 47,540 57,020 35,180 55,070 57,990 — — +0.5 GERMANY JAPAN Atlas Copco...... Bofors Callulosa Electrolux Ericsson +1 **eDay's high 812,12 low 794.97** Mar. 19 Price + or Yen -Mar. 14 | Mar. 7 | Feb. 29 Year ago (appro x 34,5 +0,2 359 +11 137,8 +0,4 120 +1 925 +3 265 +5 173,6 -1,5 Ajinomoto Amada Asahi Glass Bridgestone Canon Citizen Dalei DKBO Dai Nippon Ptg Daiwa House Osiwa Seiko Ebara Eisal 92 +1 85 +2 93 +2.5 93 +2.5 250 -2 117 +1 206 +1 53.5 -5 82.5 +2 74.5 +0.5 81.5 -0.5 Fagersta .. 1979-80 Since Cmpll't's 495.83 (2/1/78) Feb. 27 Year ago (approx) 5,57 5,14 5,11 Price + or NORWAY 7.56 . 7,95 ind. P/E Ratio | 192.42| 192.24| 118.57| 122.45| 144.70 (14/2/80) | 74.46 (16/1/79) Long Gov. Sond Yield 12,29 12,32 12,61 Financial Rand US\$0.913 Landerbank..... Perimooser...... Semperit Steyr Daimler.... Veltscher Mag... SINGAPORE Straits Times (1598) Hitachi...... Hitachi Koki..... Mar. 19 Mar. 18 Mar. 17 (Discount of 26%) Honda..... SOUTH AFRICA Gold (1958) Industrial (1968) Mar. Mar. Mar. Mar. 19 18 17 14 High Low 630.9 496.6 505.5 804.8 (8/8/90) 489.6 483.8 480.4 517.2 (14/2/80) -0.8 Ausuisse -0.8 Brown Bovert... -0.5 do (Part Certs)... -0.4 Fischer (Geo)... +2 Hoff-RondePticts. +3.5 Hoff-Ronde 1/10, Interfood... -1.5 Jaimoli... -1.2 Landia & Gyr... Nestie... 156 +0.8 224 --0.5 59,31 59,09 58.22 60.07 67.77 55.88 (13/2/80) ; (27/3) SPAIN BELGIUM/LUXEMBOURG JACCS JAL Jusco Kajima Kao Soap Kashiyama Kikkoman Kirin Kokuyo Komatsu Fift Komishiroku Kubota Kumagal Kaufhof.... Madrid SE (29/12/79) 100.45 (c) 99.81 (16/1/80) Krupp..... Linde..... Lufthansa MONTREAL Mar. Mar. Mar. 19 18 17 SWITZERLAND \$,100 x. 5,400 1,880 970 299 1,935 6,190 3,906 2,230 1,476 938 2,650 1,476 1,474 1,474 5,410 3,568xr Swies Sank Cp. (31/12/68) 186.1 284.6 280.9 284.6 +20 +14 -1 +6 -50 +36 2,640 260 3,750 460 235 770 383 5,525 1,810 3,385 2,050 TORONTO Composite 1924.0 1884.7 1864.0 1847.6 2182.5 (29/2/80) 1515.8 (2/1) - 126,1 Capital Intl. (1/1/70) 145.5 (15/2/50) | 122.2 (1/6/79) 125,4 124,4 Komishiroku 522 —23 Komishiroku 522 —23 Kubota 356 —2 Kumagai 346 —1 Kyoto Ceramic 3.500 — 1 Kyoto Ceramic 3.500 — 1 Home 640 —4 Maeda Cons 459 —1 NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. S Deslings—100 za Ex all. NEW YORK ACTIVE STOCKS Base values of all indices are 100 except NYSE All Common-50; Standard

Dow index fall of 9.3 at noon

Elsewhere in Minings, Peko Wallsend moved ahead 60 cents to A\$7.70, Pancontinental 50 cents to A\$6.40, Renison Tin 50 cents to A\$17.00, Aberfoyle 30 cents to A\$5.50, Western Mining 20 cents to A\$4.00, MIM 15 cents to A\$4.40 and Oakbridge 20 cents

The Ashton diamond consortium partners scored further good gains, CRA rising 30 cents to A\$5.00, Ashton Mining 25 cents to A\$2.60 and Northern Mining 35 cents to A\$2.40.

In the Oils sector, Woodslde added 12 cents at AS2.02. Weeks Petroleum 40 cents at A57.00, Lennard Oil 15 cents at A31.60 and Santos 30 cents at A\$6.30. BHP put on 10 cents to A\$12.30, C\$R 8 cents to A\$5.28 and ANZ 9 cents to A\$4.36.

Johannesburg

Gold shares recovered further ground in active trading in res-ponse to the good Bullion price

Randfontein rose R3.00 to R75.00, West Driefontein R2.75 to R72.25, Vaal Reefs R2.50 to R60.00 and St. Helena R1.50 to R38.00.
Mining Financials commued to

follow gold producers, Goldfields adding R2.00 at R32.00 and General Mining R1.00 at R19.75.

Share prices were mixed with a slight majority of declines at the end of a fairly quiet session, the market having failed to extend Wednesday sharp recovery.

Banks and Chemicals

mostly firmer, but Portfo Motors, Constructions, Mee and Electricals generally lost ground.

Tokyo

was closed the Vernal The market was yesterday for Equinox holiday.

+3

Mac. 19

By Our Commodities Staff THE AVERAGE guaranteed price for far sheep has been raised by nearly 11 per cent for the coming season.

Mr. Peter Walker, the Minister

of Agriculture, announced in the House of Commons yesterday that the price had been lifted to 155p a kilo from 140p last season. The guaranteed wool price has been raised 3p to 115p The sheep guarantee has been converted, as usual, into a scale of weekly standard prices varying with anticipated supplies over the season.

When the new scale comes into force on March 31, the standard price will be 167.9p a kilo. If market prices stay at their present levels this will mean a Government payment to sheep producers of nearly 10p Mr. Richard Butler, president of the National Farmers' Union, said he was disappointed at the increase which he said would not provide a basis for the expansion of production the Government has called for

Estimate cut for Israeli citrus exports

ISRAEL'S ESTÎMATES of citrus exports during the current 1979-80 season have been cut by 8 per cent following recent bad weather. With 70 per cent of the crop already packed or shipped, the Citrus Marketing Board now estimates total exports for the season at 46m cases, down from the original estimate of 49.8m cases. The latter figure would have been equal to actual shipments during 1978-79.

Small eggs dearer

SMALLER-SIZE egg prices are being raised because of a shortage of supplies, the Goldeniay marketing consortium announ-ced yesterday. It is putting up the cost of grade six and seven eggs by 3p a dozen and grade five by 2p a dozen. These three grades account for only about said the increases only brought smaller size egg prices, which had previously been depressed, into line with the larger size eggs. Reduced chick rearing in the past few months had cut the number of younger hens, which lay the smaller eggs.

Australian wool strike settlement

on a basis for settlement of the 11-week-old pay dispute which had halted exports of Australian wool, the Australian Council of Trade Unions (ACTU) president Bob Hawke said.

dent Bob Hawke said.
Storeman and Packers Union.
federal secretary Simon Crean
said the union believed the
settlement provided the basis
for an immediate return to
work. He said the union would recommend that those strikers who could report for work today, should do so. The settlement involves

immediate payments to wool storemen of A\$2.75 to A\$4.25 a week, he said, after a conference before Justice Williams of the Arbitration Commission, Meanwhile Australian packers was near settlement.
Primary Industry Minister Some brokers also reported
Peter Nixon said in Canberra heavy speculative buying in he approved arrangements anticipation of higher prices enabling advance payments to when wool sales resume.

be made from the Market Sup- Reuter

Mr. Nixon told Parliament in reply to a question that the pay-

ments will be provided where the sale of wool has been delayed by the dispute or where wool has been sold but growers have not been paid. Mr. Nixon also said he is seek-ing ways to alleviate the financial position of some brokers and buyers who have bought millions of dollars worth

wool but who were unable

deliver it onwards and obtain payment.

In Sydney, greasy wool futures closed up to 10 cents dearer on rumours that a strike by wool industry storemen and

Rethink on dock dues could save Hull port

BY RICHARD MOONEY

NEW HOPE for the survival of vessels in the hope that the Hull as a fishing port emerged extra landings could keep the yesterday following what local port alive. It has now decided down" by the National Docks boats only 20 per cent higher Labour Board over dock than last year's. charges.

The port's Fishing Vessel because it had been forced to competitor. raise its dock charge to an the £120.000 a month rent it pays to the Docks Board. But this was based on expected landings from local vessels only. and it now appears that Icelandic vessels might after all

A spokesman for the group that the Icelandic landing would added. have been a bonus and that if sufficient such vessels could be cause the present crisis in the attracted, the whole economic fishing industry," commented position, and therefore the Mr. Ken Bantock, Port Director required average charge, would of Hull. be altered.

offer a discount to foreign tunities for British trawlers."

fishermen described as a "climb to offer a special rate to foreign

Hull fishermen calculate that this would mean £15-17 a tonne. Owners' Association went into a rate comparable with that liquidation earlier this month charged at Grimsby, Hull's main

A statement issued by the raise its dock charge to an uneconomic £51 a tonne to cover " Board said it had been " grossly misrepresented " over its position on the future of Huli. It said the £51 charge had been calculated by the Vessel Owners' Association. New landings estimates by

the Association had enabled a be interested in using the port. new scale of tariffs to be drawn An Icelandic boat applied to up, it said. "The rate equivalent land at the port yesterday but to the much-publicised £51 is the Board quoted it the £22.50 per tonne. Rebated standard charge of £51 a tonne. charges are being specified for which it declined. This angered foreign trawlers which will pay dock workers who would have just under 20 per cent more 20 per cent of the total market, unloaded the fish. They argued than last year," the statement

"The Docks Board did not " It is itself a victim of a situation which has arisen The Board was persuaded to out of the lack of fishing oppor-

Cocoa summit

advanced

THE summit meeting of cocoa producing countries has been brought forward by a week to March 23/24. No explanation has been given as to why the talks have been brought forward, but they will now be held before the special meet-ing of the International Cocoa Council on Wednesday and Thursday next week which will consider the future of the ment, due to expire on March 31,

It is now hoped that the producers might come forward with a new initiative to break the impasse that caused last week's about negotiating a new cocoa pact to end in dead-

The summit talks are to be held at Yamoussoukro in the Ivory Coast. The presidents of Ghana. Nigeria, Togo and Gahon have already agreed to attend, according to officials of the Ivory Coast Caisse de Stabilisation, reports Reuter.

Rhodesia seeks good sales at tobacco auction RHODESLA's first open tobacco

auction sales since the imposition of economic sanctions in 1965 will start on April 8, after considerable uncertainty about the tobacco industry's future. The 1980 tobacco crop i believed to be both large and of good quality. Tobacco growers will be able to sell without the so-called "sanctions dis-count" for the first time in 15 years, and in addition they will have preferential access to markets in the EEC. But there is to be considerable

concern among buyers from the main European countries concerning the continuity of supplies. It is feared in Salisbury that concern that white farmers will emigrate is causing anxiety among buyers over the ability of the industry to provide continuity of supply in the years ahead. A spokesman for the industry said yesterday "we are frankly disappointed at the indications we have had of the level of probable purchases by

He warned that there were signs that UK buyers would not buy anything like enough tobacco to provide the highly competitive market conditions members had been demanding which growers had hoped would that the union should press for

FARMING CONFERENCE

No bonanza after all

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

MR. PETER WALKER, Minister of Agriculture is fast discovering that the British farmer, those in the rest of Europe. In future, therefore, returns is never satisfied, and like Oliver would rise in line with those in the rest of Europe. In future, therefore, returns is never satisfied, and like Oliver would rise in line with those in the second formulation. In future, therefore, returns the second formulation would rise in line with those of the Miss Sylvia Smith, an about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and about the Board's chances of the Miss Sylvia Smith, and thus kept comparations and thus kept comparatively cheap. Twist, perpetually asks for more. He is said to be especially aggrieved that, after fully devaluing the Green Pound, the NFU is asking for a price rise of at least that demanded by COPA, the European Farmers' Union, plus a further cut in the Green Pound to raise UK prices still further. No wonder he retaliates with

increasing petulance that British farmers should export more, and market better. Phrases easy to form but difficult to execute, and unlikely, it would seem to put any more money into the industry's pockets. And money is what farmers are worrying about

The plain fact is that there is no more money in the Common Market kitty for sub-stantial increases. And, that market prospects for all the main commodities are of saturation and depression. All this was made abundantly clear at a conference organised by the Royal Agricultural Society and

AGRA Europe at the National Agricultural Centre last week. The scene was set by Graham Meadows, policy adviser to Finn Gundelach, the EEC Agricultural Commissioner. He laid down in stark terms the fact that British farmers had

in the Community as a whole, and as the Commission regarded a 21 per cent increase as a maximum, there would be little

chance for them to get any more from that source. Par-ticularly as Mr. Walker was holding out for no increase in those commodities in surplus milk, sugar and cereals.

Only a minority of farmers have realised the truth of Mr. Meadows' assertions. For years they had been encouraged to invest and expand in anticipa-tion of full EEC membership, only to find that the cupboard is bare and that it is little use

that.
Well if it won't come from Brussels, what about markets? Here there was little joy for could accelerate in later years anyone. Mr. Freddie Rees of if the slaughter of cows and Ranks forecast that if cereal consequent reduction in rearing Ranks forecast that if cereal

and wheat of about 3m tonnes by 1985. Because world grain produceven subsidised exports, would be most difficult

enjoyed substantial price some maize and hard wheat, the beef and lamb to produce, and take increases since 1975, partly EEC as a whole was last year a cereals, their main production mic through Green Pound devaluance exporter of grain. The only cost, were likely to be in sur-

Green Pound devaluations.

Miss Sylvia Smith, an about the Board's chances of economist with Borthwicks the selling all the milk that farmers years up to early 1979, since by political and economic con-then the indications were of siderations. continuing difficulty. Only a This depressing scenario I decisive change in the country's believe to be correct. But it is economy could alter this.

On lamb she forecast that in the short term there was likely to be a 10 per cent increase in production this year, and a very different marketing pattern than in 1979 when the early lamb was scarce and made a asking the Britsh Government high price. Even if the are higher and farmers are just for help. Although at the NFU French market were to be as unhappy.

Annual General Meeting many opened, prices would be likely resolutions were doing just to level out near the UK level encouraged by talk of high not the French.

On beef she forecast a small decline in supplies which production went on increasing calves were to continue. She at the present rate, there would thought that beef would continue at or about the interven-In these circumstances there of the promise.

was no scope for Community tion is rising in the same pro-portion, possibilities of exports, meet the rate of inflation. meet the rate of inflation.

Pork and poultry meat would

be the growth areas because they were basically cheaper than Already in spite of importing they were basically cheaper than some maize and hard wheat, the beef and lamb to produce, and

meat traders, began by saying that meat consumption followed from confident that producers the growth or otherwise of would be getting the increasing personal incomes. There was prices they were asking for buoyant demand in the two These he said were governed wars up to early 1979 since by collisied and accompanie conby political and economic con-

applicable not only here but in Europe as well. Although British farmers are claiming a special case because of rising inflation, there is no coubt that costs in Europe are at least as high as they are here. Indeed

as unhappy.

The unfortunate fact is that encouraged by talk of high European prices, and the prospect of enjoying them, too many British farmers have been investing too heavily in land stock and machinery, in order to be able to reap the bonanza they had been told would be theirs for the taking. Only to find that the reality, as so often in these things, fell far short

o a sa ta ta

But farmers don't like to hear the nasty truth, and the bulk of the audience was made up by what could be termed the ancillaries the agricultural supply industries who don't take such a rosy view of economic facts as farmers sometimes

NFU seeks action on lamb ban

BY RICHARD MOONEY

Union will press for retaliation against France if no progress is made on forcing the French government to dismantle its restrictions on British lamb imports soon, Mr. Richard Butler, the NFU president, warned yesterday. The European Court, which

ruled that the restrictions were illegal six months ago, is expected to issue an interim injunction against France next week, but it remains to be seen whether this will persuade the French to relent.

Mr. Butler said some NFU action

No. 1 Yest'rdays Previous Business R.S.S. Close Close Done

Sales: 464 (597) at 15 tonnes, 79

SOYABEAN MEAL

THE UK National Farmers' French imports, such as apples, threat to dairy herds because cheese and eggs.
Meanwhile, the EEC Commission has taken an action which

appearing before the Court_ to Mr. Peter Walker, the British Agriculture Minister, asking for

an explanation, within 30 days, of the health restrictions which keep Continental milk out of the country. Britain's high milk price is attractive to producers in Europe and France, Ireland and the Netherlands are all

known to be anxious to gain access to the UK market. against would pose a serious health

the Continental sterilisation method (ultra heat treatment) does not guarantee the eliminacould lead to Britain itself tion of foot and mouth germs. If the Commission does not Mr. Finn Gundelach, the EEC accept this argument, Britain is likely to be hauled before the Court. The decline in liquid milk

sales in England and Wales continued last month according to figures published yesterday by the Milk Marketing Board. Sales for liquid consumption totalled 514.4m litres compared

with 506.6m in February, 1979. But when allowance is made for the fact that February was one access to the UK market. day longer this year this repre-The British claim the imports sents a decline of nearly 2 per

Good response for Soviet softwood

THE SECOND offer of Soviet softwood which was circulated in the first week of this month. has met a good response from importers. It seems likely that Exportles, the Soviet selling organisation for forest products will achieve sales of around 300.000 cubic metres, bringing their total for this year to just over 1m cubic metres, which they indicated was the upper limit of availability for this market.

Softwood supply and demand is well balanced in Europe and importers appear to have taken the view that the Russian wood. was sufficiently attractive in spite of a 7 per cent price rise on the most popular grade since the first offer in January

British commodity markets

parformance of gold. The price edged fresh further shead to E1.065 in the rings mede before easing back to the mid-50s on profit-taking. In the afternoon a lowerthan-expected opening on Comer-prompted renewed prolit-tehing and short selling in London and three months felt afresh to close the late Lerb at £1,033.5. Turnover 18,775

COPPER Official - Unofficial -996-7 +5 987-90 +.5 Stendard, three months £7.870, 30, 1928-9 +11 1018-20 -4.6 Kerb Standard, three months £7.880 Alternoon: Standard, cash £7.850, 40, 20, three months £7.820, 90, 75, 70, 60, kerb: Standard, three months £7.840, 675. onths

BASE METALS

37 56 42 45 44 45 45 Kero Wirehard Firehard fresh buying. In the alternoon the meriet eased on profit-taking which pared the price to £7,840 prior to recovering to close the late kerb at £7,870. Turnover 400 tonnes. TIN Official - Unofficial, -

Settlem t 7900 - 140 - Straits-E. \$52255 - 15 NewYork

50, 70, LEAD-Moved ahoad reflection the

the S460 level forward metal gained ground to rouch the day's high of E4725 on the alternoon kosh before closing at £469. Turnover 12,675 tennes.

Three months silver 1000-1020

I.G. Index Limited 01-351 3466. T 29 Lamont Road, London SW10 0NS. 1. Tax-free trading on commodity futures.
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GOLD FIELDS GROUP

NOTICE RE CLOSING OF REGISTERS OF MEMBERS OF THE UNITED BY STATE OF THE PROPERTY OF THE PROPER

Name of Company (Each incorporated in the Republic of South Africa) krasi Gold Mining Company Limited at Driofontein Gold Mining Landon Office:

49 Moorgate, London, EC2R 6BQ.

4 April to 11 April, 1939 4 April to 11 April, 1990 By order of the boards, C. E. WENNER, Landon Secretary.

-50 :..... U.S. Spot. Marning: Cosh 55.25, 27, 30, three months £462, 65, 63, 64, 65, 68, Kerb: Three months £465, 68, 69, 68, 69.5, 69.75, Kerb: Three months £47, 68, 69, 68, 69.5, 69.75, Kerb: Three months £470, 71, 72, 74, 73, 72, 73, 71, 72, 73, 72, 70. ZNIC—Barely changed in quiet and routine trading with forward matal finelly E334.5 on the late kerb. Turn-over 4,600 tonnes.

Morning: Cash £329, 30, late March £330. Three months £336, 35, 36. Kerb: Three months £336, 35, Afternoon, three months £336, 35, 34 Kerb. Three months £332, 33, 34, 33.

ALUMINIUM—Slightly higher. Forward metal opened around £866 and ward metal opened around 1996 and advanced to 1875 in the wake of copper before easing to close the lete lerb at 1886. Continued demand for cash material left the backwardation around 143. Turnover 5,125 tonnes.

a.m. + or p.m. ++or Official - Unoffic') -Alumin'm

Spet 3035-46 -20 | 3054-60 +12 3 months 3150-60 -17.5 3174-6 +17.5

Morning: Three months £3,155 Afternoon: Three months £3,160, 70. Kerb: Three months £3,160. * Cents per pound. \$ SM per picul. † On previous unofficial close.

SILVER

Silver was fined 85.4p an ounce higher for spot delivery in the Landon bullion market yesterday at £10.266 U.S. oquivalents of the firing levels were: spot \$22.6, up \$1.95; three-month \$23.347, up \$1.897; sp-month \$24.169, up \$2.022; and 12-month \$24.661, up \$2.105. The metal opened at (3.95-10.25 (\$21-221)) and closed at £7.95.10.55 (\$21-221).

COTTON

LIVERPOOL—No apot or shipment sales were recorded, leaving the total for the week on far at 182 tonnes. sales were recorded, leaving the total for the week so far at 182 tonnes.

Renewed caution was displayed by operators and business was minimal. Minor support was forthcoming in African growths, as well as American supplies.

The London physical merket opened steader with Good terminal interest, dissing on an easier note, Lewis and Polit reported a Malfysian godown price of 226 (324) cents a kg (buyer, Aprilf.

COCOA

Once again coons futures traded throughout the day without showing any occurrent rend. The trading range was \$15 and at the close levels were only marginally altered to Wednesday evening, reports Gill and Dullus.

COCOA	Yesterd'ya Closs		Done
March	1397-03	-4.0	1400-158
May	1427-28	+ 4.5	1430-17
July		-5,00	1443-29
Sep		-2,00	1452-42
Dec	1476-80		
March	1505.07		1513-07
Мау	1530-37	+8.50	_

May... 1530.37 (+8,60 — Sales; 1 282 (1.396) lois of 10 ronnes. International Cocoa Organisation (U.5. cents per pound): Daily once Marco 19: 123 73 (113,65). Indicator price March 19: 15: 15-day average 140,63 (120,80); 22-day average 141,38 (141,81).

COFFEE

Robustas apened on a quiet note around unchanged levels, reports Burnham Lambert. Trading conditions for the presence against fini and volume poor, and farly atternoon dealings were disappointing but renewed strength in New leter for prompted some trade short covering in London and prices advanced from sharply to break out of the recent trading range Values were finally fis-234 up from the previous.

COFFEE Yesterday's + or Business

E per tonne. Done

LONDON GRAIN FUTURES—The mariest opened unchanged to slightly higher but values were on the retreat all dis, After good domand spot barley closed higher while May barley closed lower. New crops found buyers en jury, dips from highs and closed steady between unchanged to 10p higher, reports Achi. BARLEY WHEAT

Mar. 92.95 -0.55 92.20 -0.95
May. 95.50 -0.55 94.15 -0.49
Sept. 93.95 -0.69 91.85 +0.10
Nov... 98.00 -0.10 95.35 +0.10
Jan... 101.90 99.95 +0.10

RUBBER

PRICE CHANGES

In tonnes unless otherwise stated. ago Metais Aluminium ... Free Mkt

£810/815 £810/815 [\$1930/1850 + 10 \$2180/22

_10 8835

-3 £445 +7.5 \$670

+5 \$547,50 +5.55 \$286,20

-0.48 299.85

£116,25

(73) at 5 tonnes.
Physical closing prices (buyer) ware:
Spot 68.50p (68.00p); April 71.75p
171.25p); May 73.00p (72.50p). Platin'mtr'y oz £189.0

Copra Philip.... \$510 Soyabean(U.S.)|\$279,65s

No. 1 Red Spg. No.2HardWint

The London market opened with small losses but ran into Irade support particularly on nearby months, roports T. G. Roddick. Prices soon firmed on mixed buying and closed with gains of around 50p. Yest'rd'y +or Business Closs — Bone April ... 112,00-12,5 + 0,80 112,00-11,50 June ... 111,40-12,5 + 0,80 112,00-11,50 June ... 111,50 13,7 + 0,35 113,80-16,50 October ... 111,50 11,4-0,30 111,50 11,60 December 2 14,30-14,54-0,25 114,50 February ... 118,80-13,8 + 0,05 117,50 April ... 118,00-21,0 + 0,25 Wolfrm 22,04 lb: \$147/151 | \$185/42 | \$185/42 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 | \$2591 Oils Coconut (Phil), \$750± Groundnut ± Linseed Crude, £456 Palm Malayan, \$640c

Seles: 61 (39) lots of 100 tonnes.

LONIDON DAILY PRICE (rew augar): E-10 00 (E224.00) a tonne cif for March-April-May shipment. White suger March-April-May shipment White sugar daily price was £224.00 (same).

Opening levels were little changed from overnight prices and despite a slightly weaker tone later the market was always well supported. A report that the Thailand authorities would defer exports of rew sugar produced a steadier market but profit taking and weaker oversees quotations lowered prices by some £7 at the close, reports C. Czarnikow.

Sugar Pref. Yest'rdays Previous Business Comm. Close Close Done £ per tonne

March . 210,00-15,00-228,00-28,00-215,00 May . . . 213,55-28,75-227,00-27,25)227,75-24,00 Aug 240,06-40,50 285,58-56,00(248,25-55,90 Oct 243,56-48,75,244,75-46,00;258,76-45,50

Sales 9.433 (8.954) lots of 50 tonnes. Number 4 Contract—Close (in order buyer, seller only): May 250.60, 230.75; Aug. 240.50, 244.00; Oct. 250.00, 253.00; Jan. 255.00, 259.00; Merch 270.00, 772.00, May 270.00, 272.00, Sales 1,321 (1,344).

Tate and Lyle exteriorate price for granulated basis white sugar was 5321.7 (same) a tonne for home trade and E293.00 (E292.50) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Cambbean port). Prices for March 19. Daily price 18.97 (17.27). 15-day average 20.32 (20.52).

AMERICAN MARKETS

drawn (48.0p a kilo withdrawn): 22-25.5 kilos, 57.5p (58.9p a kilo withdrawn). Ught cows 47.5p a kilo withdrawn (48.0p a kilo withdrawn).

Cther commodities | 1,463 | +4 | £1,450 |
Cocoa ship.t. | £1,463 | +4 | £1,450 |
Future May | £1,427.5 | +18 | £1,67.5 |
Cotton A.thdex (92.55c | +1.1 | 95.35c |
Rubber (kilo) | 68.50p | +0.6 | 75p |
Sugar (Raw) | £210 | 2 | £251 |
Wooltp's 64s ki| 308p kilo | £97pkilo

s June. v Msy. t March-April. u April. w April/Msy. x July, z Indicator. § Buyer. † Per 76 lb Stak.

GRIMSBY FISH—Supply good, demend fair. Prices at ship's side (unprocessed) per stone: Shelf cod £1,50-£4,00. medium £3.00. beat small £3.00. £4,50. codlings £2,60-£3.00. Large haddeck £3,60-£4,50. medium £3,30-£4,20, small £1,80-£2,50. Large plaice £3,50-\$kinned dogfish (medium) £12,00. Lemon soles (large) £3,00. (medium) £3.00. Sethe £2,00-£2,90.

MEAT/VEGETABLES

Daily price 18.97 (17.27). 15-day average 20.32 (20.52).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyor, seller, business, sales). New Zealand cents per billo May 386, 397, 401, 2, aug. 415, 423, 416, 42, 405, 423, 416, 42, 434, 421, 425, 435, nil, nil; Aug. 425, 437, nil nil Sales: 20.

SYDNEY GREASY WOOL—Close (in crocc: buyer, saller, business, sales). System of control buyer, saller, business, sales). Sistem cents per pound. March 422 defects buyer, saller, business, sales). Sistem cents per pound. March 426, 0, 430, 0, 430, 0, 431, 0, 514, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 515, 0, 5

NEW YORK, March 19.

CENERAL BUYING in gold and apot 21.95-22.05, Oct. 22.40-22.50, Jan. 23.20, eliver resulted in major or limit status Copper followed gold in a Sales: 15.385 aomewhat restrained way. Trade and speculative buying advanced cotton and sugar pides, Coppe was mixed CHICAGO. March 19. advances. Copper followed gold in a somewhat restrained way. Trade and apsculative buying advanced corton and augar pidess. Cocoa was mixed on arbitrage sales against the dollar while coffee traded in a thin market with a high spot and little change in the distant months. Grains and soyabeans reliked on indications that the government may provide higher floor prices. The livestock complex generally finished higher in anticipation of a bullish pig crop report Thursday, axcept for live. cettle which finished finished floor. Cocoa-March 134.00 (133.75), May 136.80 (137.00), July 135.60, Sept. 135.30, Dec. 3020, March 3140, May 136.80 (137.00), July 135.60, Sept. 135.30, Dec. 3020, March 3140, May 136.80 (137.00), July 135.60, Sept. 136.30, March 152.00-182.50, May 136.80 (137.00), May 85.30-183.51, Sept. 136.30, May 136.50, March 152.00-182.50, May 136.50, March 152.00-182.50, May 136.50, March 152.00-182.50, May 136.50, May 136.50

EUROPEAN MARKETS ROTTERDAM, March 20,

Wheat—U.S. No. 2 Rad Wirther May \$194, June \$190, July \$189, Aug. \$188. U.S. No. 2 Northern Spring, 14 per cent, March \$195, April \$195, May \$194, Juna \$195, July \$196, Aug. \$199, Sept. \$201, Oct. \$205, Nov. \$207.50, Dec. \$212. Rest unquoted: Soyabeans—U.S. Two Yellow Gulf-ports March \$261.25, April \$284.25, May \$286, June \$271.50, July \$274.50, Aug. \$279, Sept. \$282, Oct. \$284.25, Nov. \$284.25, Dec. \$290.50, Jan. \$294.74, Fab. \$301.50, March \$304.

Soyameal—44 per cent protein U.S.effoat \$228, April \$227, May \$227, June
\$228 50, Aug.-Sept. \$231, Nov.-March
\$250, Brazil Pelleta March \$235, April
\$253, June-July \$237, Aug.-Sept. \$237,
\$233, June-July \$237, Aug.-Sept. \$237,
\$233, June-July \$237, Aug.-Sept. \$237,
\$230, May 1338-1350, July 1345, Sept.
1390, May 1338-1350, July 1345, Sept.
1395, Seles ar call 0.
\$300 Seles ar call 0.
\$300 Seles ar call 0.
\$300 Cot._2300-2315, Nov. 2280, Oec._2350-2400, March 2380, May 2420. Sales at call 0.

FINANCIAL TIMES Mar, 19 Mer, 1874 nth agolyear ago 296,72 292,49 299,19 273,19

INDICES

MOODY'S Mar, 19 Mar. 18 M'nth ago Year ago 1207.2 1166.7 1377.1 1064.7 (December 31, 1531-100)

(Bass: July 1, 1952-100)

Dow Mar. Mar Month Year Jones 19 18 ago ago Spot ... 432,11 418.05 442.57380.05 Ftur's 435,71 435,59 454,97385,16 Verage 1924-25-26≃100). REUTERS Mar. 20 Mar. 19 M'nth ago Year ago

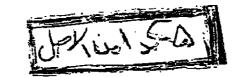
1748.4 1740,2 1778.4 1570,6

(Base: September 18, 1931 = 100)

DOW JONES

2.40-2.80. Mushrooms—per paind 0.60-0.70. Apples per pound Bramley 0.69-0.16. Cox's Orenge Pippin 0.12-0.20. Psers—per paund Conference 0.67-0.16. Comice 0.68-0.22. Sweden per 25/28: Comice 0.18-0.22. Sweden per 25/28; ib 0.70-0.80. Turnips—per 23 ib 1.40-1.50. Sproots—per pound 0.80-0.70. Carots—per bag 1.20-1.50. Cabbages—

par bag 1.20. With T.50. Cucumbers—
Lays 15/20s 3.50.4.20. prepack 16/
20s 4.36.4.50. Tomatoes—per pound
0.50-0.55. Lettucas—per 12, round 0.901.03. Parsings—per 28 ib 1.50-2.00.
Righters—per sound forced 0.15-0.16.
indoor 0.12-0.13. Onions—per bag 4.004.50. Sections—per bag, round 1.40,
long 7.60.



FINANCIAL TIMES STOCK INDICES

Markets featured by fresh gains in Gold shares and Australian issues—Equity leaders quietly steady

Options
*First Declara- Last Account Dealings tions Dealings Day Mar. 10 Mar. 20 Mar. 21 Mar. 31 Mar. 24 Apr. 10 Apr. 11 Apr. 21 Apr. 14 Apr. 24 Apr. 25 May 6 " New time" dealings may take place from 9 a.m. two business days

South African Gold shares and to a lesser extent Australian exploration issues stole the limelight again in stock markets yesterday, Renewed strength in both sectors followed spread fresh demand in the wake of the continued bullion price recovery. The further substantial gains in share prices were reflected in another upward surge in the FT Gold Mines index, which rose 20.7 more to a two-day rise of nearly 50 points.

A steady flow of company trading statements provided the day's only source of interest for the equity sectors. Among the top names reporting, Barclays Bank rounded off the clearing banks dividend season with preliminary figures at the best end of market expectations accompanied by a proposed one-for-five scrip issue but closed only a few pence higher at 415p. Continuing Budget uncer-

tainties again inhibited invest-ment incentive in most sectors, while the Bank of England's call maintain a restrictive monetary policy together with the lack of any major surprises in the long-awaited consultative documents on monetary base control did little to lift the apathy. As a consequence, trading remained at an extremely low level throughout the two main investment sections.

Nevtherless, after an uncer-tain start, leading shares gradually edged higher and the FT 30-share index regained a 10 am fall of 1.4 to close 1.2 up on balance at 433.2. Small institutional inquiries and occasional new-time buying for the Account ctarting next Monday helped, but the better trend main's reflected the absence of any worthwhile selling.

With the papers on monetary control containing few suggestions of change other than those anticipated, the market in Giltedged securities continued to trade quietly. Mediums and were virtually unchanged throughout the session, while exceptions were the Variable 'n renewed investment demand. The 1983 stock rose in to 93! and the two shorter issues gained

dued with only 369 deals com- 386p. Marks and Spepleted. The only issue to attract hardened a penny to 88p. a reasonable business was Cons. Gold Fields with 169 contracts.

C. T. Bowring pleases C. T. Bowring, which

currently trying to stave off an unwelcome 163p per share bid from the U.S. concern Marsh and McLennan, stood out in Insurance brokers yesterday with a rise of 5 to 132p, after 134p, in response to the betterthan-expected preliminary profits. Other ismes improved sympathy with Alexander Howden particularly favoured at 110p, up 5; the annual results are due next Thursday. Willis Faber continued firmly at 250p, up 2, while Hogg Robinson closed

Preliminary profits at the top proposed 20 per cent scrip-issue prompted a gain of 3 in Barclays at 415p and brought the clearing bank dividend season to a highly satisfactory close. Elsewhere in the hanking sector, UDT rose 3 to 55p on a Press suggestion that Citibank of the U.S. may soon launch a full. may soon launch, a full-

scale bid for the company. Timber shares attracted fresh speculative support. Montague L. Meyer put on 10 to 118p, while Mallinson-Denny added 41 at 64p and Magnet and Southerns 4 at 172p. Elsewhere in Buildings. Sharpe and Fisher hardened penny to 45p in response to the preliminary results. Walter Lawrence improved 3 to a 1979-1980 peak of 102p, but Tilbury Contracting encountered fresh selling and shed 5 further to 165p. Countryside eased 2 to 62p. Leading issues remained sub-

night levels. dued, barely stirring from over-ICI improved 6 to 370p in thin Dixor-Strand tentatively dropped to 10p on the annual loss and dividend omission, but rallied to helped by the proposal to inject 50.5m of further equity and loan capital.

Harris Queensway down Interest in the Stores sector

waned considerably ahead of next Wednesday's Budget. Harris Queensway came on offer at 182p, down 4; the preliminary results are due on April 23. Bambers lost 3 to 90p but House of Lerose added that much to 59n on further consideration of

A broker's bullish circular prompted firmness in Racal which touched 216p before settling for a net rise of 2 at 213p, Decca A rore 10 to 510p in sympathy. Other Electrical majors also tended to higher levels with GEC closing 3 better at 367p. Philips' Lamps dipoed improved a couple of pence to 124p. Elsewhere, Avana put on 8 124p. Elsewhere avana put on at 367p. Philips' Lamps dipped to 390p on the reduced Comfort came in for support and 10

gained 11 to 24p, but Swan Ryan

shed a penny to 17p on scattered

Hepworth Ceramic good

profits, while Channel Tunnel re-

bounded 20 to 190p on renewed optimism that the "chunnel"

project will be financed by

private capital now that the

Government has publicly stated that it will not submit public

funds. Stactley were marked up a couple of pence to 175p on the

favourable results, while Press-

inspired improvements of 5 and

10 respectively were seen in AGB Research, 162p, and John Baker,

160p. George Ewer hardened 12

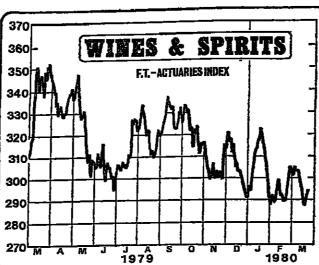
to 521p, also after an investment

man edged forward a penny to

year figures. The majors plotted

better-than-expected

Miscellaneous industrials pro-



profits, while Pressac plummeted 7 to 33p for a similar reason. Support was again forth-coming for Unitech, 7 up at 275p. while further speculative demand lifted Muirhead 11 for a two-day

gain of 18 at 202p.

Although already braced for a disappointing set of pre- Ceramic stood out with a rise of liminary figures from Stone 7 to 104 p in response to the Platt news of the near £3m deficit and omission of the final dividend depressed jobbers sufficiently for them to mark the sbare price down 6 to a year's low of 36p. Elsewhere, further consideration of the second-half loss and dividend omission clipped a further 3 from Weir at 37p, making a two-day decline of 17. Welseley Hughes, on the other hand, jumped 24 to 292p in response to the sharp increase in interim earnings and proposed 20 per cent scrip-issue, while. Bronx edged forward a penny to Bronx edged torward a proposed 27p on the results and proposed to cont serip-issue. The Engineering leaders closed a 62p on the interim results. shade easier for choice with Johnson Matthey firmed 8 afresh Tubes 2 couple of pence off at to 270p on consideration of its 2780 after comment on the

In quietly firm Foods, Associfigures. W. L. Pawson edged for- ated Dairies improved 6 to 180p Traded options remained subfirst leaders with a rise of 4 to added a penny more at 62p. last week's disappointing results creased speculative interests.

Spencer RHM attracted late support and and the shares drifted down 3 prompted a gain of 7 to 90p in 88p. firmed 13 to 484p, while Northern further to 100p. Boots and Carless Capel, while Attock im-

statement, while Tate of Leeds icked up a couple of pence to Sup after substantially higher full-year profits. British Car Auction with interim results due next Monday, rose 4 to 68p. Elsewhere, Armstrong Equipment firmed 1½ more to 52p on further consideration of Wednesday's half-timer. Automotive Products hardened a penny to 66p still benefiting from a new transmission development

Newspapers were firmer. News International added a couple of pence to 150p, while Daily Mail A put on 3 at 463p. Liverpool Daily Post and Echo held at the overnight level of 118p following the standstill in full-year profits, but publishers William Collins, annual results Monday, added 3 to 105p. Elsewhere, Mills and Allen eased 4 to 306p despite announcing higher interim profits and dividend, while Richard Clay fell 3 more to 81p. DRG, on the other hand, continued to draw strength from the preliminary figures and

Leading Properties held up high interest rates, are likely to 12 better at 233p. Guthrie added prevail for some time. MEPC 10 more to 800p on hopes of a edged forward 3 to 191p. but renewed offer from Sime Darby. Land Securities stayed at the overnight level of 288p. Hasle-mere Estates and Great Portland Estates shed 2 apiece to 294p and 225p respectively, while Peachey eased a penny to 126p. Second City Properties improved 2 to 52p on the interim revenue increase and Winston Estates the turn to 49p following the pre-liminary results. Elsewhere, recently dull Fairview Estates picked up 9 at 232p, but Imry encountered further selling and shed 10 more to 580p.

Oil rally continues

Oils continued to trade relatively well with sentiment helped by Wall St. influences and by by Wall St. influences and by Tricentrol's good preliminary results. More-than-doubled profile precious metal interests. James and a sharp dividend increase, Wilkes, however, fell 4 to 38p in coupled with the company's builish statement on U.S. expansion reaction to the disappointing fulllifted Tricentrol 8 to 290p, after

oroved 8 to 192p. Of the leaders, BP added 4 at 360p, but Shell cased 2 to 360p. Among overseas issues, SASOL benefited from the renewed general buoyancy in South African stocks and touched 158p before settling 4 higher on balance at 154p. The oil dis-covery in Louisiana put Weeks Petroleum up 30 for 2 two-day gain of 45 to 365p, while National Carbonising, which holds a 7.25 per ceut stake in Weeks, firmed 12 to 126p, after

Awaiting further news of last month's bid approach. City and International rose 6 to 126p. Eisewhere in financial Crescent Japan added 4 to 128p, while Majedie, reflecting the buoyant rubber sector, closed 6 up at 94p.

Fears that C. Y. Tung's 420p offer for the company will be referred to the Monopolies Commission continued to unsettle Other Shippings trended a shade port and ended 4 to the good at

South African industrials continued firmly. Barlow Rand rose 10 to 400p, while South African Breweries added 6 at 126p.

Forecasts that commodity encouraged Plantations. Castlefield advanced 27 to 502p, and Inch Kenneth Kajang closed

Golds up again

Land Secs. Marks & Sp. Marks & Sp. Shell Shell Totals

Racal Elec.

South African Golds continued their revival as the builion price advanced a further \$33 to \$553 an ounce. The Gold Mines index gained 20.7 more to 315.0, a recovery of 49.5, or nearly 19 per cent, over the past two days.

The market got off to a firm start as jobbers marked up share prices following large-scale over-night buying in New York. Modest local and overseas over around lunchtime period. Little fresh interest was reported

LONDON TRADED OPTIONS

13

2

249

64,84 64,40 64.16 64.15 64.22 64.10 72.29 64,79 64,78 64.73 64.75 54.80 64.82 78.24 Fixed Interest 455.2 452.0 431.7 435.2 439.9 447.0 514.6 Industrial . 315,0 294,5 265,6 271.6 286,5 299,5 159,1 Gold Mines 7.98 7.90 7.93 7.92 7.79 7.65 5.56 Ord. Drv. Yleid... Earnings, Yid. 2 (full) 18.75: 20.34 20.45 20.39 20.07 18.62 14.74 6.16 5.97 5.94 6.98 6.05 6.56 8.65 P/E Ratio (net) (*). ... Equity turnover £m - | - | 111.29 79.38 95.00 87.49 155.78 _ 317,900 13,321 12,846 14,008 27,864 Equity bargains tota -10 am 430.6. 11 am 432.0. Noon 432.5. 1 pm 433.0. Latest Index 01-246 8025. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35, Gold Mmes 12/9/55. SE Activity July-Dec. 1942. S.E. ACTIVITY HIGHS AND LOWS 1979/80 Since Compilat'r Mar. | Mar 20 | 19 High : Low High | Low 150.4 50.53 (28/11/47) (8/1/75) 408.3 558.6 49.4 (15/11) (4/6/73) (26/6/40) Gold Mines 377.9 129.9 442.3 43.5 (29/2/80) (17/4) (22/5/57) (26/18/7)

trading but prices managed to hold their morning levels. Among the heavyweights, rises of £2 were common to Raud-fontein and Vaal Reefs at £31 and £25 respectively, while West Driefontein added £14 at £294

and Free State Geduld a like amount at £231. President Brand. President Steyn and St. Helena were all a point to the good at the common price of £151. Prominent in the medium and

lower-priced issues were South-vaal, 102 higher at 978p, Doorn-Wit. Nigel, which climbed 23 to The renewed huovancy in

precious and base-metal prices helped Financials take Wednes day's recovery a stage further In South Africans, General Mining advanced 60 to 810p. Anglo American 45 to 565p and UC Investments 50 to 525p. De Beers improved 25 to London issues moved up during Modest local and overseas the morning but eased towards interest was noted during the the close on profit-taking. Gold early trading but this petered out Fields were finally 17 up on the morning but eased towards Fields were finally 17 up on balance at 490p, after 493p, while Rio Tinto-Zine bardened 3 to during the afternoon and late 367p, after 372p.

135p 489p

Platinums made progress with Rustenburg 13 higher at 22Sp. In Copper Palabora gained 25 to 675p following the chairman's

statement. A heavy two-way trade was reported in Australians. Among the leaders, Conzinc Riotinto put on 18 to 258p and North Broken Hill rose S to 164p, while gains of 20 were common to Pancontinental, 315p, Peko-Wallsen, 385p, and Poseidon, 118p. Specilatives showed Samantha 10

NEW HIGHS AND LOWS FOR 1979/80

NEW HIGHS (5)

BUILDINGS (1) Henriques "A" TRUSTS (1) OVERSEAS TRADERS (1) NEW LOWS (30) AMERICANS (3)

CANADIANS (1) Hollinger Bank of Scotland BUILDINGS (1)
Tilbury Contracting CHEMICALS (1) Dixor-Strand Ratchite Inds. Weir Groundsteen Platt INDUSTRIALS (11) Arrix inds. Austin (F.) (Leyton)

MOTORS (2) Stuemel Brothers Kenning Motor NEWSPAPERS (2) Websters Wilson Brothers Clay (Richard)
TEXTILES (3)
Youthal

RISES AND FALLS YESTERDAY

British Funds Corpns. Dom, and Foreign Bonds	9 8	21 7	Sa
Industrials Financial and Prop. Oils	221 84 28	241 107 4	9 3
Plantations	15 107 45	1 5 33	
Totals	515	419	1.4

ring ably

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS			TI	Thurs., Mar. 20, 1980					Wed., Mar. 19	Tues, Mar. 18			_ ago
& SUB-SECTIONS Figures in parentheses show number of stocks per section			of Index No.	Day's Change %		nings d %	Yield %	(Net)	Index No.	index No.	Index No.	t Index No.	Index No.	
	1 CAPITAL GOODS	(172)		231.81							1			
2	2 Building Materials	(28)		227.29	+1.0			6.88	7.32				9 231.37	7 241.26
	3 Contracting, Constr 4 Electricals (15)							6.85 4.16						
5								9.33		598.58 269.73				
ě		apring (74)		156.25	-0.6			8.38	5.85	157.22				
8	B Metals and Metal F	Forming(1,6	6)	. 159.50	-0.2			9.71	5.53	159.87	157.25			
	CONSUMER GOO	DDS -					_		1				1	1
11								5.88	7.32	211.13				1
12					+0.5			4.41	10.05	299.96	297.06			
13 14				. 104.16 . 105.41	+0.4			10.53 8.88	4.14 4.64	104.47 104.98	103.55		. ,	
-	CONSUMER GOO		-	103	+0.7	۔ت	ر ۳	0.00	4.0	The 20	104.38	104.94	1 107.08	124,19
21				. 212.91	+0.6	19.0	12	7.24	6.47	211.57	211.14	212.92	216.06	240.75
22	2 Breweries (14)			. 257.50	÷0. 9	17.1	17	6.82	6.84	255.27	254.42	256.83		
23	Wines and Spirits (5	5)		. 294.49	+6.9	18.4	43 [6.29	6.70	291.93	288.12	288.66	293.87	337.63
24	Entertainment, Cate	tering (17)	. 4 4 6 666	. 289.03	+0.2	19.2		7.27	6.49	288.43	286.22			
25 24					+0.8	21.5		8.03	5.73	187.43	127.29			
26 32				296.34	+11	14.0		5.09	8.52 5.40	293.23	292.36			
32 33					+0.1	24.8		7.49 9.17	5.49 5.23	405.65 125.40	406.20 125.11			
25 34				214.32	+0.6	14.3		9.1/ 5.36	9.02	213.02	212.97	215.13		
35	Textiles(24),			124,68	+0.4	28.4		12.35	4.42	124.18	125.50			
36	Tobaccos (3)			197.76	+0.5	29.4	15	11.89	3.85	196.77	196.28	197.86	198.86	271.12
37	Toys and Games(5).			3L63	-1.6	47.54	4	16.04	2.59	32.15	32.58	32.73	33.51	93.09
41	. OTHER GROUPS (9	97)		198.59	+0.9	17.77		7.37	6.76	196.77	196.04			
42 43		(T)_)	293.92 205.51	+1.2 +1.5	21.12 12.47		8.16 6.36	5.42 9.73	290.32 202.55	290.29 202.60	290.76 201.83		
45 44		. 1		205.51 110.88	+1.5	19.17		7.37	6.02	202.55 110.24	202.60	112.97		2/1.52 145.52
45	Shipping (10)	· · · · · · · · · · · · · · · · · · ·		453.15	-0.6	11.68		7.13	10.92	452.94	45011	457.40		429.51
46	Miscellaneous (57)			232.17	+0.6	17.85		7.14	7.07	230.81	228.13	232.19	236.06	244.24
49	INDUSTRIAL GROU	(IP (492)		220.99	+0.6	18.47	7	7.05	6.66	219.76	219.19	221.13	224.33	247.54
51	0:ls (8)			749.03	+0.5	29.27	7	6.79	3.63	745.45	727.95	730.42	749.40	614.77
59	500 SHARE INDEX			262.68	+0.5	20.79		7.00	5.65	261.26	259.41	261.41		277.70
61	FINANCIAL GROUP	P (118)		188.45	+0.3		7	6.13	275	187.89	187.12	188.68		196,61
62 63			**********	205.81	+0.2	44.90	9	7.12	276	205.30	205.07 206.50	206.17	210.20	229.00
63 64	Discount Houses (10) Hire Purchase (5)			207.40 185.68	+2.0	17.69	-1.	9.62 5.35	7.34	207.32 181.97	206.50 181.63	211.69 182.03	213.23 186.48	243.57 176.24
64 65	Insurance (Life) (10)	1		185.68 167.82	+2.0	17.69	"	6.38	7.34	167.26	166.67	168.59	171.21	154.39
66	Insurance (Composite	te) (9)	1	122.99	+0.1		1	7.99	= 1	122 92	121.68	122.94	124.62	142.37
67	Insurance Brokers (1	10)		288.36	+20	17.18	8]	6.80	8.27	282.66	281_47	283.10	284.68	342.55
68	Merchant Banks (14))		99.61	+0.3	l —	1	6:38	_]	99.36	99.36	101.17	101.68	92.20
69	Property (45)(9)		······································		-0.1	3.66			39.23	356.34 126.40	355.21 126.70	358.08	365.61 128.31	332.88
70	Miscellaneous (9)			127.00	+0.5	16.36	4	7.20 6.35		205.63	125,70 205,11	125.26 210.12	128.31 212.80	120.48 228.93
71 81	Miming Finance (4)		- 1	204.96 191.23	-0.3 +1.8	12.05	-			205.63 187.80	178.41	210.12 179.95	188.49	228.93 131.87
91	Overseas Traders (19	9)		390.01	+111	12.96		6.90		385.70	383.50	388.84	396.16	368.36
99	ALL-SHARE INDEX	((750)	\equiv	244.91	+0.5	_	+	6.74		243.69			248.28	1
				67 r			÷		<u> </u>					
	FIXED INT	FEREST P	RICE I	NDIÇES		1			ED INTE YIELDS Gorl Av. (.	Thurs., Mar. 20	Wed., Mar. 19	Year ago (approx.)
		1		T	T.,	_	1	LOW		years		13.13	13.12	9.58
8	British Government	Thurs., Mar.	Day's change			80). 1 80	2	Coupons	15	years		12.95	12.95	10.69
-	Michie dark-	20	urange %	-	. to d	GU]	3			years		12.95		11.43
		 				<u> </u>		Medium		years		15.04	14.99	11.36
1	Under 5 years	100.65	-0.04	/ -	2		- 1	Coupons		years		14.54 14.33	14.53	<u>12 13</u>
2	5-35 years	103.32	-0.0I	. _	1 2	254		6 25		years			14.33	12.37
- I	Over 15 years	307.83	i	1_	_	71 I	- 1	High	_	years			15.09	11.72
3		, ;	200	1 -	•	- 1		Comparis		years		14.86	14.85	1251
4	Irredecombles	118.68	-0.25	1	L	~~ .⊢	9			years			14.71	12.64
5	All stocks	103.68	-0.02	· ! <u></u>	1 2	24 1	10 Irredeemables				12		12.46	11.18
-	Thurs., March 20 Wed. Tues. Mon. Fri. Thurs. Wed. Tues. Year March 19 18 17 14 15 12 11 (approx)											March	March 11	ago (approx)

15 20-yr. Red. Deb & Loans (15) 49.67 114.87 49.61 49.61 49.68 49.68 49.68 50.08 50.06 56.44

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61,43 61,35 61,26 71,18

16 Investment Trust Prefs. (15) | 47.91 | 13.86 | 47.91 | 47.91 | 47.91 | 47.91

Coml. and Indl. Prefs. (20) 61.38 14.59 61.38 61.34 61.34 61.31

ACTIVE STOCKS

	Stack Premier Cons. Burmah Oil RTZ Tricentrol BAT Inds. Beecham Turner & Newall BP GEC LASMO Mills & Allen Intl. Racal Electronics Shell Transport ICI North Kalgurii	nomina- tion m 5p £1 25p 25p 25p 25p 25p 25p 25p 25p 25p 25p	No. of arks 12 11 11 10 9 9 8 8 8 8 7 7	Closing price (p) 62½ 197 367 290 233 121 100 367 452 306 213 360 370 60	Change on day + 11 + 3 + 2 + 3 + 4 + 3 + 17 - 4 + 6	1979-80 high 87 249 492 336 362 189 176 414 456 528 320 276 410 415 80	1979-80 low 15‡ 82 226 148 225 114 100 220‡ 311 124 185 168‡ 278 314
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OPTIONS

DEALING DATES First Last Last For Deal- Deal- Declara- Settletion ings ings ment Mar. 17 Mar. 28 Jun. 26 Jul. 7 Mar. 31 Apr. 11 Jul. 10 Jul. 21 Apr. 21 May 2 Aug. 7 Aug. 18 For rate indications see end of Share Information Service Stocks favoured for the call while a doincluded Premier Oil, Marshall Rothmans.

Mining, BSG, Carless Capel, UDT, BP, Burmah, Shell, KCA, Lonrho, Ultramar, Belhaven C.T. Bowring, Montague L. Meyer, Courtaulds, Marks and Spencer, Vickers, Town and City, and Ladbroke Warrants. Puts were completed in Ashton Mining, Tricentrol and MEPC, while a double was arranged in

RECENT ISSUES

EQUITIES												
lasue Price pt	Amount Paid Up Latest Renund	1979/80 High Low	Stock	Olosing Price pt	4 or	Oly. P. Or Amount	Times	Gross Yield	P. 5			
50 £1 10 ;44	50p — F.P. 21/3 F.P. 28/2 F.P. 7/3 F.P. — F.P. —	140 83 102 100 11 ³ 4 10 89 72 34 29 60 57	Berkley Exploration . Child Health Res'ch . Keep inv. Trust 5p Lon.Merc'tSecs.Defd Roche Plant 10p WebberElctCom 12.5p	114 78 31	-1	- - 1.95 b3.6		 5.8 8.6	- - 7.2 10.4			
	F	IXED	NTEREST S	STO	CK	S.	_	_				

				'RK	HT	S" OFFERS		
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p‡	£5	• 54	<u> </u>	High	Low	Stock		-
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UNIT TRUST SERVICE

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OFFSHORE & OVERSEAS—contd.

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Dealing to P.O. Box 73, St. Heller, Jersey

Standard Chartered Intl. Bd. Fd.

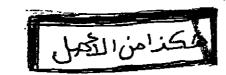
P.O. Box 315, St. Heller, Jersey. 0534-71460. Contractly Trust......[133.59 140.62]+185] — TSB Unit Trust Managers (C.I.) Ltd.

10. Wharf St., St. Helier, Jersey (CI), 0534 73494.

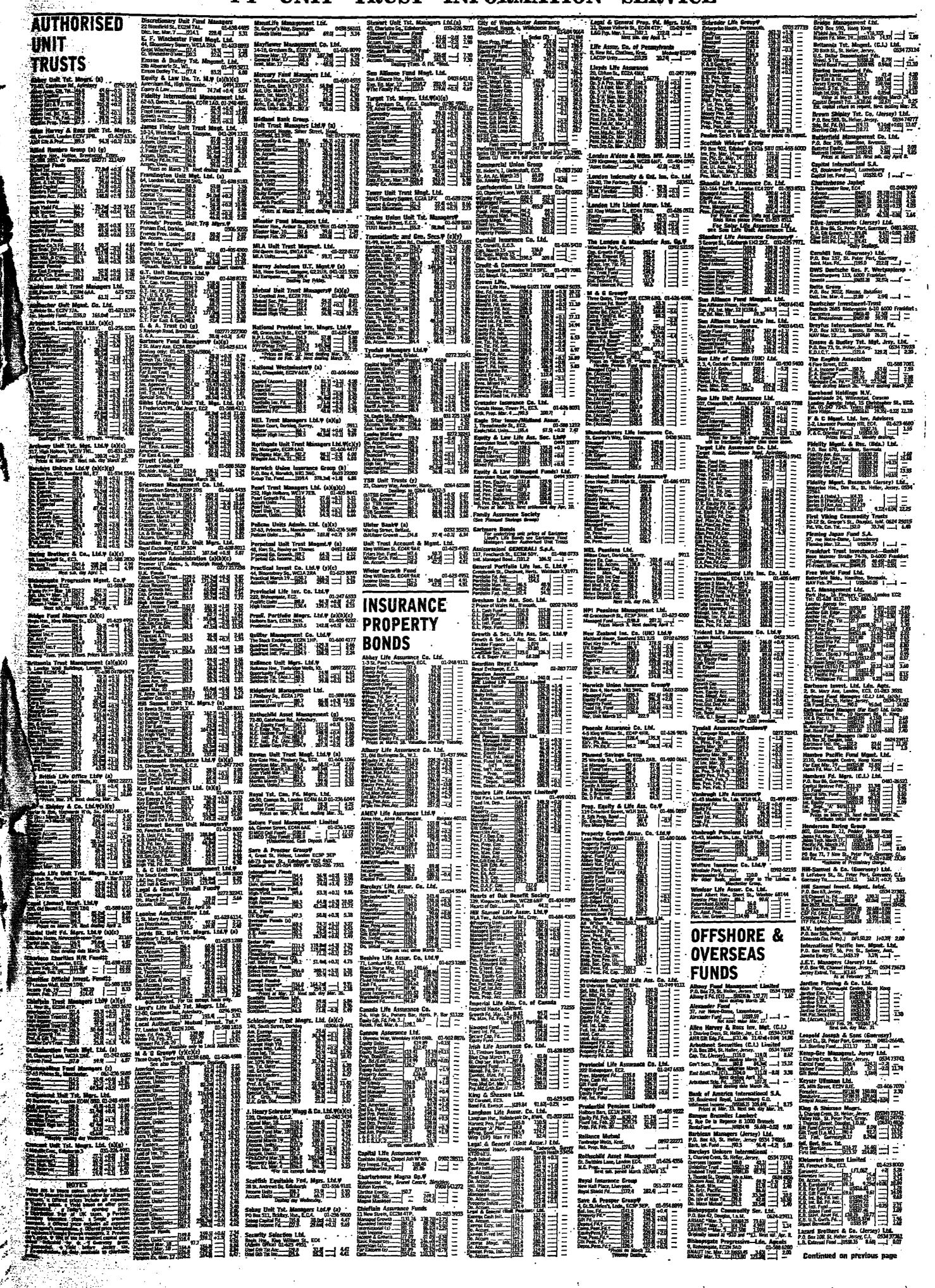
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Prices of March 19. Next. cob. 62/ March 19.



FT UNIT TRUST INFORMATION SERVICE



SIMPLICITY

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BRITISH FUNDS

Shorts** (Lives up to Five Years)

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Siz Corsols Apr.

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125. (Treasury Spc 66 Aft.
191. (Crosols 21-oc.
177. (Treasury Size 65 Aft.)

Undated

INTERNATIONAL BANK 78 [5cc Stock '77-82] 6.02 | 13.47 CORPORATION LOANS

Price (+ er Yield E - int. | Red.

10 Five Years)

99 | 1-2 | 9.80 | 16.94 | 16.94 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.95 | 16.9

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15.39 15.95 15.97 14.90 16.11 15.71 16.02 15.01 14.60 14.60 14.60 14.31 13.94

FOOD, GROCERIES-Cont.

SHARE INCOME SERVICE

SOURCE STATE OF SERVICE FINANCIAL TIMES

FOR INTERNAL TIMES

FOR INTER

Steel pay offer may go to committee

STEEL UNIONS will today formally tell the British Steel Corporation that they reject its

Talks at BSC headquarters in London are seen as the last attempt by the unions to negotiate a settlement greater than the 10 per cent offered nationally, plus at least 4 per cent in return for job losses negotiated at works level. If the BSC merely repeats the

offer, the unions may propose third-party intervention. They favour a committee of inquiry with an independent chairman and one assessor from each side of industry.

BSC said it would look seriously at such suggestions, provided the terms of reference were confined to pay and did not extend to the corporation's plans

The corporation appears convinced it could satisfy any third party that its offer—which it says could be worth up to 21 per cent in some areas—is all it could afford. It would almost containly the containing the cont certainly try to get the unions to accept formal and binding arbitration—an option the union side has not ruled out.

If today's talks go badly, the unions might threaten to withdraw safety cover, which could delay a re-start by weeks or months after the strike was

But this appears to be weapon of last resort that the unions are reluctant to use. Union sources stressed that the negotiating team of 10, representing 13 unions, was going into the talks with a broader remit from the membership than at any time in the dispute, now in its 12th week.

BSC executives have said they will go ahead with their own ballot of the 132,000 strikers if the unions reject the offer, refuse arbitration and refuse to conduct their own The unions would do everything possible to discredit such a ballot, and would warn the BSC that all co-operation including any on productivitywould be withdrawn.

Robin Reeves, Welsh Correspondent, writes: The Wales TUC yesterday gave a cautious welcome to a letter from Sir-

indicate a significant change of month.
heart in the Government's Abou thinking about the problems the rundown would create for the whole Welsh economy, the

In it Sir Keith notes that the March 31 deadline for agreeing the redundancies programme been dropped. significantly, he emphasises that the Government is investigating ways individuals and communities affected by the BSC's planned retrenchment could be assisted through the

Sir Keith also stresses that the extent to which other steel industries are being subsidised, notably through cheap supplies of coking coal, is being investigated through the National Economic Development Office.

'We will also lose no opportunity of pursuing with the EEC Commission the question of what Community means might be available to give UK coking coal a rather more stable com-petitive position," Sir Keith

says.

But the letter reveals that the Department of Industry takes an even more gloomy view of the BSC's market prospects in the months ahead than the corporation itself. "Our own estimates of UK demand do not disagree with BSC's. They are, if anything, slightly more pessimistic." Sir Keith says.

More strike news Page 6

banks was proposed yesterday

by the Bank of England. The

scheme would be introduced as part of new banking super-

vision arrangements required

The Bank says the new

regime is necessary because present tests for adequate

liquidity in banking overlap, as

well as being incomplete and

It says that foreign currency

business should be incorporated

in the new liquidity framework.

but for the time being it does

not propose to extend the primary liquidity requirement

beyond banks' sterling books.

In a paper outlining its pro-

posals it adds that it wishes to

extend these controls as rapidly as possible to foreign branches

by the 1979 Banking Act.

inadequate.

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

British Shipbuilders chief removed

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT has deowned corporation during the next two or three months.

It is thought that there are now two or three possible can-didates for the chairman's post, which carries a £44,000 a year salan

Earlier this week the Government announced that the present chairman. Admiral Sir Anthony Griffin. 60, is to stay on for an extra three months helore retiring. This has made it possible for Mr. Casey's departure to be settled immedi-

Mr. Casey, who is 51, is a former Industry Department civil servant who was seconded to British Shipbuilders in 1977 after the corporation's chief executive designate, Mr. Graham Day, resigned during the long Parliamentary rows over the industry's nationalisa-

two major long-term crude oil

supply contracts from Saudi Arabia. They will guarantee the direct supply of 8.3m tonnes a year (186,000 barrels a day)

current prices.

In a notable international oil

industry coup Avia, a group of

30 small independent oil com-panies, backed by the strong support of the West German

Government, has a deal with Petromin, the Saudi state oil

company, for 100,000 barrels a

day (5m tonnes a year) over

in April and will be bought at official prices of the Organisa-tion of Petroleum Exporting

Veba, West Germany's biggest industrial company in which the

state has a 44 per cent interest,

said yesterday it had won an additional contract to lift 3.3m

crude is to be processed by Deutsche BP, the West German

affiliate of British Petroleum,

BP has been scouring the

loss of a significant part of its supplies from Iran and Nigeria.

and the balance by Shell.

The first oil is due to be lifted

the next three years.

cided to remove Mr. Michael last year that he would have Casey from the job of chief liked to serve for another term. executive of British Shipbuilders when his contract runs out in May. This means that Minister of State for Shipbuilders. candidates have to be found for building. He has since seen both Mr. Casey's job and for Sir Peter Carey, the Industry the chairmanship of the state- Department's Permanent Secretary, to discuss a return to Whitehall in May, possibly in his previous rank of an under secretary.

His departure in May was announced by British Shipbuilders yesterday which also issued a statement from Mr. Butler. This praised Mr. Casey's contribution in building a management team his re-sourcefulness and success in winning new business and his work on improving industrial relations.

The decision not to reappoint him has been taken in Whitehall after a lot of heart-searching. His successes have been recognised. However, he has a flamboyant personal style which has made many critics and enemies in an industry noted for its internal dissension.

or its internal dissension of this year.

Although no official reason France overtakes Britain, Page 6

Germans in Saudi oil deal

The processing is in separate

agreements between Avia and the two companies. They are in

no way similar to the agreement

between BP and Saudi Arabia

European oil group with more

than 5,000 service stations in

eight countries. It was formed

in Switzerland in the late 1920s to try to give small independents greater strength

in the oil market by concentrat-

Saudi oil must be kept within

laid in secret in early January,

during a visit by Count Otto Lambsdorff, the West German

Economics Minister, to Saudi Arabia. In talks with Ministers,

per cent of imports of 107m

Under the deal, however, its

Groundwork for the deals was

ing their buying power.

West Germany.

WEST GERMANY has secured the contracts for shipping the

The deals are worth about concluded earlier this year \$1.57bn (£715m) a year at under which BP is refining current prices.

Mr. Casey let it be known late was given for Mr. Butler's decilast year that he would have slon, it is understood that the liked to serve for another term. Government believes a man Government believes a man with more direct practical experience of business and industrial affairs should now be appointed to develop the business from the organisational base built by Mr. Casey, and especially to improve productivity and cut costs.

If, as seems likely. the Government decides to appoint a chief executive—on a salary of about £30,000—from within the industry. Mr. John Parker. the corporation's production director, would be one likely candidate. Others would be Mr. Derek Kimber, who runs Austin and Pickersgill, Mr. John Steel, of Swan Hunter, or Mr. Bill Richardson of Vickers. The departure of two other

key figures in the industry has also been announced recently. Mr. Archie Gilchrist was dismissed from the chairmanship of the Govan yards in Glasgow last December, and Mr. Ross Belch is to give up his job as chief executive of Scott Lithgow on the lower Clyde at the end

Economics Ministry in particu-

lar, is keen to bolster the inde pendent oil trading companies

Last year they were badly squeezed by the majors, when crude oil and product supplies

were tight and Rotterdam spot

market prices jumped wildly in

panic buying.

In his Saudi talks, Count
In his Saudi talks, Count

Lambsdorff supported Avia as much as better-known concerns,

The Avia deal has given the small oil distributors—they

supply about 20 per cent of the

German market for petrol, disel and heating oil—independ-

ence from the international

Avia has agreed to make sur-

plus product supplies available for sale to other small inde-pendent operators. It cannot

alone cope with such large

The deal has also placed Avia

in an unusually strong position

such as the giant Veba.

majors.

volumes.

may rid Labour of 'militants'

MR. JAMES CALLAGHAN is likel yto use his influence as party leader to try to rid the Labour Party of the Trotskylst Militant Tendency organisation on the grounds that it is breaking the party rules.

His demands may well lead to further discontent on the party's National Evecutive. In spite of the publication yesterday by Lord Underhill, the party's former national agent, of detailed evidence of the Tendency's activities within the Labour Party, the signs were that most members of the executive felt the best way to deal with the Trotskyists was by political argument rather than expul-

As a firm believer in the importance of abiding by the rules, Mr. Callaghan is likely to argue, however, that unless the lendency changes its way it has no right to be in the Labour Party.

Lord Underhill's report-based on documents published by the Militant Tendency itself between 1973 and 1978, alleges that the group is trying to use the Labour Party to furher its own aim of world revolution. To to achieve this, it had set up its own organisation and news-paper, with full time staff, and network of what they call cadres" and "caucuses."

All members followed the ideas of Trotsky, Lenin and Marx. The aim, the report says. was to get "two or three Trotskyists in every party branch," and a "citadel in every constituency" to form the nucleus of a mass Bolshevik

Lord Underhill claimed yes-

Labour Party rules forbid any group setting up its own separate organisation or propaganda machine within the party welcome to a letter from Sir said yesterday it had won an Keith Joseph, the Industry Secretary, about the proposed rapid rundown of the Welsh steel industry.

The letter appeared to indicate a significant change of heart in the Government's About three-quarters of Avia:

Arabia In talks with Ministers, to Saudi and Ministers, to negotiate favourable processing deals with the oil majors in West Germany.

Which helped to guarantee direct crude oil supplies to Militant, insisted direct crude oil supplies to puzzlement in Saudi Arabia.

The group has no capacity of its by puzzlement to puzzlement to puzzlement in Saudi Arabia.

The group has no capacity of its by puzzlement and Lord Underhill's document appears to show that Militant insisted direct crude oil supplies to which helped to guarantee direct crude oil supplies to Militant, insisted that they were not a party by thinking about the proposed.

The group has no capacity of its within a party. The group has no capacity of its within a party.

The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party.

The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party. The group has no capacity of its within a party within said, was "rubbish." made up

Details, Page 11

Callaghan

terday that the Trotskyists had buried themselves right into the heart of the Labour Party." He thought there were probably only about 2,000 members and estimated that the Tendency had influence in about 60 constituencies.

There was no chance of its taking over the Labour Party, he said, but the National Execu-tive should dissociate itself from the kind of revolutionary policies Militant was advocating. He did not want Militant expelled but the party must do all it could to expose the group.

to contradict the new policy of maintaining control of final publications and inventions publications and inv "probably of the CIA."

THE LEX COLUMN

The 'corset' and the M3 bulge

Yesterday's double-barrelled blast of monetary argument from the Treasury and the Bank Index rose 1.2 to 433.2 keep the group together. of England failed to have any

visible impact upon the financial markets in London. That is not surprising, for the only pro-posal of immediate importance UK BANKING to emerge is that the days of SECTOR . the corset controls are numbered. The scheme could even be brought to an end by STERLING LENDS the Chancellor in the Budget speech next Wednesday.
For the rest, the prospect of adoption of monetary base controls has virtually disappeared after the sceptical dis-section of various proposals by the authorities, though a con-sultative crack remains open in

the door. It is just possible that the Government could be persuaded that some kind of automatic or "indicator" automatic or "indicator" system should be developed to to the banking system and very. quickly push up sterling M3-possibly by something of the letermine changes in interest order of two points. As yester-day's figures for banking February showed, sterling M3 is already around a point above its target growth range. rates, but it is clear that the Bank of England will give up its discretion in this area only with the greatest reluctance. The other major point to merge is that the authorities But it is right that the authorities should face directly up to intend to reform the current

Stone-Platt Stone-Platt's ghastly figures

reserve asset system under which the banks have operated

since 1971. The Bank proposes

of different banks' liabilities.

Given that the authorities

have never in practice tried to

system, this does not imply any

weakening of supervision. Indeed, for some wholesale and

foreign banks, the proposed

requirements may be much

proposal - may be required to

hold balances with the Bank of

England, as the clearers already do. The Green Paper regards

the money stock progressively. It is also clear that the authori-

ties are seeking to avoid quantitative controls, which

to go over to a more sensitive monitoring of prudential hold-ings of Equid assets, taking into reflect a compendium of the ills that afflicted British indusaccount the maturity structure try last year-the collapse of export margins, sluggish busi-ness in declining sectors such as textiles and shipbuilding, use a reserve asset squeeze as a way of controlling the banking and numerous costly strikes. Despite a rise in overseas profits before interest and tax from £6.2m to £8m, the group's 1978 pre-tax profit of £9.5m turned into a £2.9m loss. After a hefty tax charge on the overseas earnmore restrictive than the existing system. Moreover, non-clearers — under another ings, exchange losses, goodwill write-offs and a £7½m provision for closure and reorganisation costs of the Lancashire textile machinery business, £17.5m has had to be withdrawn from reserves, and the final dividend

this as "more equitable," but such banks without the clearers interest-free balances, has been passed.

The rise in borrowings has been held to £15.6m, which are unlikely to see it that way. Although the details are complex, the central theme of leaves net debt at 61 per cent of equity after a £7m property revaluation. Gearing is set to the Green Paper remains the determination of the Govern-ment to reduce the growth of rise further this year: even with capital spending kept at a mini-mum, the closures will absorb some cash in 1980, and profits seem likely to be negligible un-less sterling falls and interest rates with it. After yesterday's 6p fall in

lead to disintermediation and therefore distortion of the monetary statistics. The Gov-ernment is refusing to follow the Americans down this blind the shares to 36p, the market capitalisation is a mere £14m, a quarter of net worth. While

Philips

As 1979 progressed the pressure on Phinips' margins intensified and trading profits, 6 per cent ahead at the halfway stage, have recorded a 27 per cent decline in the second half. Pre-tax profits for the year have fallen 8 per cent to FII.lbm, and on the London market—still open when the first figures registering the bad news came over the wire—the shares dropped 10p to 390p.

The main damage has been inflicted in colour television and components in Europe—particu-larly in the Netherlands itself -where demand grew more slowly than Philips had projected. Although volume was 6 per cent up in real terms and the company managed to increase its market share, fierce competition, especially from the Japanese, acted as a brake on prices. There was also a consumer shift towards smaller tv sets, which exacerbated the company's stocks problem: the proportion of stocks to sales has moved up 2 percentage points to 31.5 per cent over the year. With a maintained dividend, the yield is 10 per cent.

Barclays Bank

The clearing bank results season, which ended with the Barclays figures yesterday, has done absolutely nothing for share prices, with the bank sector index nestling third from bottom in the 1980 leaders and laggards table, under-performed only by household goods and toys and games. Barclays 42 per cent pre-tax improvement to £529.4m did litie to change the market's sceptical response, though at least it has been a little more positive over the dividend: it promises an effective rise of a fifth this year, after the one-forfive scrip issue, on top of the 31 per cent increase in the gross payment now declared for 1979. Still, Barclays has been yielding less than the others in the recent past, and the yield of 6.5 per cent at 415p is still the lowest on offer from the Big Four. Barclays' historical cost p/e ratio, incidentally. is as modest as 2.7. rising only to just over 5 on a current cost

Of the £155m rise in profits before loan interest for 1979. £137m was contributed by the shrink the UK business to the saley.

This is an embarrassing size at which it can once again is exceptional but it now least time, however, to abandon the corset, just as it is biting. The group's problems are likely to deter any acceptable bidder, into 1980.

Mortgage system may change

Association [of Building Societies in London, he said that the "purpose and nature" of the present recommended system of interest rates would come under closer scrutiny in the months ahead.

His comments follow a recent, Building Societies Association working party report suggesting that to meet liekly demand for home loans in the next decade the societis eoffer fully competitive terms to investors and raise general level of mortgage

New bank liquidity controls proposed

A NEW regime for measuring tinguishes between liabilities bank's maturity - uncertain

and controlling liquidity of and assets whose maturity is liability, together with a pro-

They will form the main There is growing feeling in the societies that when interest rates in the economy generally begin to fall, they could embark on a new policy of competition by keeping their own interest rates high.
Mr. Williams said that, if the

instead of 15 per cent.

-certain assets and liabilities

THE RECOMMENDED mort—The working party's consometimes alleged." While gage rate system operated by clusions, which Mr. Williams many smaller societies had an the building societies could soon said would have "very far-independent interest rate structured implications" if put ture, many larger ones were disappear, Mr. Leonard reaching implications if put ture, many larger ones were Williams, chairman of the Build-into effect, are being actively developing special investment ing Societies Association, said debated in the movement. Addressing the Metropolitan business at the association's view to be welcomed and it conference in May, could be that the association's

biggest supplier of crude-17 own and the agreement seemed

has flowed through the systems of the major international oil is believed to have been sauscompanies, which dominate the fied by the stipulation that the oil must be kept in West

tonnes last year. But, tradi-tionally, most of these supplies destination of its crude.

distant future towards confining its recommendations only to the ordinary share rate. base line for other rates.

fresh approach was already in operation, the present mortgage rate would be about 18 or 19 He emphasised that the present system of recommended

"These variations are in my council may move in the not too

This rate offered little scope for major societies to be out of line and yet provided a useful

The Halifax Building Society's assets increased by £1.34bn to £8.94bn last year in figures given yesterday. Receipts were £4.233bn against £3.366bn the previous year, and mortgage

Weather

UK TODAY MOSTLY cold with snow flurries

and some sunny intervals.
London, S.E., E. England, E.
Anglia, E. Midland, Channel Islands Cloudy, mainly dry. Very cold.

Central Southern, S.W. England, W. Midlands, S. Wales Sunny intervals. Cold. Max.

N.E., N.W., Central Northern England, N. Wales, Lake District, Isle of Man, Borders Cloudy, occasional snow dying out. Cold. Max. 3C (37F).

Edinburgh, Dundee, Glasgow areas, Central Highlands, Argyll, N.E., N.W. Scotland, N. Ireland Sunny intervals. Occasional snow. Max. 4C (39F). Outlook: Continuing cold and changeable.

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The Financial Times Ltd., 1980.

tions to escape the limits.

Mr. Lawson said the Chancellor was likely to say something about the future of the corset inu his Budget next Wednesday. The corset is due to run out in June, but the timing of its end will be affected by judgments about the extent to which banking operations will be switched back to normal methods, which will inflate the published money supply figures, to end in June.

the liquidity requirement dis- proposed end of the require- lapse.

Continued from Page 1 Money supply control

known with certainty, and portion of any net liability those of uncertain maturity. position arising from maturity

The test involves two com-certain assets and liabili ponents, a proportion of each in a range of time bands.

in a diversion of banking opera- ment on banks to hold a minimum ratio (121 per cent) of certain types of assets in proportion to the majority of their liabilities. This is known as the reserve assets ratio, and is regarded as distorting the shortterm market for debt.

However, the authorities believe it is essential that adequate prudential standards of loquidity are maintained. The Bank yesterday published a separate consultative document on this. Once consultations have The other key change is the been completed, the ratio would

Continued from Page 1 Monetary

ernment borrowing requirement

reflecting the unexpectedly high tax payments. Even though net sales of gilt-edged stocks were less than in recent months, they were still sufficient, in combination with national savings, to offset by the very heavy surrenders of certificates of tax

There is a seasonal pattern in purchases and surrenders of such interest-paying certificates, since companies buy them early in the financial year and use them to pay tax later on. The Bank has now made a seasonal adjustment for them which reduces the increase in sterling M3 last month from 0.9 to 0.6 per cent, indicating an annual rate of 114 per cent since June and of 81 per cent in the last four months,

External factors were neutral overall last month as substantial external finance of the public sector was matched by large switching into sterling by the